

4387. Also, petition of the Silk Association of America, New York City, favoring change in the present revenue laws; to the Committee on Ways and Means.

4388. Also, petition of Local Union No. 791, United Brotherhood of Carpenters and Joiners of America, of Brooklyn, N. Y., favoring a bonus for veterans of the late war; to the Committee on Ways and Means.

4389. Also, petition of the American Library Association, in annual conference assembled at Colorado Springs, Colo., urging the passage of S. 2457 and H. R. 6870; to the Committee on Education.

4390. Also, petition of J. H. Williams & Co., of Brooklyn, N. Y., favoring a change in the present method of handling foreign commerce and urging appropriation for same; to the Committee on Appropriations.

4391. By Mr. SINCLAIR: Petition of the Women's Federated Club of Grace City, N. Dak., protesting against the passage of legislation permitting the waters of our national parks to be used for commercial purposes; to the Committee on the Public Lands.

4392. By Mr. TAGUE: Petition of the Aberthaw Construction Co., of Boston, Mass., favoring 1-cent postage on drop letters; to the Committee on the Post Office and Post Roads.

4393. By Mr. TEMPLE: Petition of the Women's Club of Beaver, Pa., favoring the passage of the Smith-Towner bill and the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4394. Also, evidence in support of H. R. 14731, granting a pension to Sarah A. Vale; to the Committee on Invalid Pensions.

SENATE.

SATURDAY, December 11, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee with our daily tasks because we are engaged in a struggle for the supremacy of truth. We know that truth in its highest form emerges only as the result of human effort and human consecration. We turn to Thee praying Thee to give us the purpose of heart, to give us the spirit of endeavor and of consecration, that we may deliver the forces of our lives for the establishment of the truth here and everywhere. Save us from error. Save us from compromising with half truths. Give us the spirit of perfect consecration to the truth as it is in Jesus. We ask it in His name. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

INTERDEPARTMENTAL SOCIAL HYGIENE BOARD (H. DOC. NO. 892).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a report of the United States Interdepartmental Social Hygiene Board for the first fiscal year ended June 30, 1920, which was referred to the Committee on Public Health and National Quarantine.

BONUS TO EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the United States Employees' Compensation Commission, transmitting, pursuant to law, a statement showing the average number of employees receiving the increased compensation of \$240 per annum for the four months of the fiscal year 1920, which was referred to the Committee on Appropriations.

PUBLICATIONS ISSUED BY DEPARTMENT OF INTERIOR.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing the various publications issued by the department during the fiscal year ended June 30, 1920, which was referred to the Committee on Printing.

ANNUAL REPORT OF ATTORNEY GENERAL.

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, pursuant to law, the annual report of the Attorney General of the United States for the fiscal year ended June 30, 1920, which was referred to the Committee on the Judiciary.

PETITIONS.

Mr. ELKINS presented a resolution in the nature of a petition adopted by the Slovak League of America, Assembly 141, at Clarksburg, W. Va., relating to the partition of the Czecho-Slovak Republic, which was referred to the Committee on Foreign Relations.

He also presented a resolution in the nature of a petition adopted by the Slovak League of America, Assembly No. 259, of Monongah, W. Va., relating to the partition of the Czecho-Slovak Republic, which was referred to the Committee on Foreign Relations.

He also presented a petition from the Chamber of Commerce of Casper, Wyo., praying for the enactment of legislation increasing the compensation of employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution in the nature of a petition of Local Union No. 2942, of the United Mine Workers of America, urging that further prosecution and imprisonment of violators of the espionage act be abandoned, which was referred to the Committee on the Judiciary.

Mr. McCUMBER presented a petition of the M. J. McElvain Post, No. 152, of the American Legion, Fullerton, N. Dak., praying for the enactment of legislation to pay ex-service men a bonus, which was referred to the Committee on Finance.

Mr. HARRIS presented a resolution in the nature of a petition passed by the cotton farmers of Cobb County, Ga., in mass meeting, praying for the enactment of legislation increasing the price of cotton, which was referred to the Committee on Agriculture and Forestry.

Mr. KENDRICK presented a resolution in the nature of a petition adopted by the annual convention of the American Federation of Labor and approved by the Hanna Local Union, No. 2335, United Mine Workers of America, Hanna, Wyo., praying for the enactment of legislation granting amnesty to political prisoners, which was referred to the Committee on the Judiciary.

He also presented a petition of the Natrona County Stock-growers' Association, at Casper, Wyo., praying for the enactment of legislation permitting honorably discharged soldiers and sailors be permitted to enter upon and take up 640 acres of the unoccupied public domain without residence or improvements, which was referred to the Committee on Public Lands.

EMBARGO OR TARIFF ON WOOL.

Mr. WARREN. Mr. President, yesterday certain telegrams and letters in the way of petitions were presented regarding the sheep and wool industry of this country, among others the returns from the Chicago market on a very considerable shipment—some 2,000 or more head—of sheep which it seemed netted the producer only a fraction over 32 cents per head.

Wishing to ascertain something of the condition of the market elsewhere I wired yesterday to one of the large sheep-growing concerns in the West for their latest returns on mutton shipped to Kansas City, and I have in my hand a telegram in reply stating that the "net per head, ewes, was \$1.22½." That was the Kansas City market upon good sheep. The sheep-growing concern referred to, which has been many years in the business and which shipped these sheep, has been at an expense of from \$7 to \$12 a head in raising animals of that kind during the past few years.

While speaking of the market on mutton, I might as well mention the market, or rather lack of market, for wool. This same western concern received for its wool clip of 1919 a net return of two hundred and sixteen thousand and some odd dollars over and above all shipping and selling expenses. The clip from that same corporation is now lying in Boston, equally good, possibly better, and would not bring in the gross, from all the indications that I am enabled to secure, \$100,000, and from this will have to be deducted something over \$25,000 for transportation of the clip more than 2,000 miles, the commission percentages, storage, grading, and so forth. In other words, it would not bring at the present time more than about one-third of what it brought a year ago, even if it could be sold at all; and, of course, the expenses of raising the present year's clip have been higher than they ever were before.

I have a great many letters and telegrams respecting the extreme distress that prevails in the wool-growing industry. Of course there is some distress in the agricultural line as to all products, but these particular products—sheep and wool—seem to be the ones which suffer most and which will result, unless quick relief is afforded, in very many financial failures. The worst of it is that such failures are not confined altogether to the growers, but from documents that I have in hand, and

many more in my office, bankers in those communities that are undertaking to carry these farmers through, as they have done before and as is usual in all parts of the country, are in deep trouble, and so they are sending in many of these petitions. I do not propose to burden the Record with any particular number, but I am going to read one or two expressions contained in some of them. I have one letter from an individual grower, a very conservative man, and from that I quote:

Am writing about the necessity for an embargo or temporary relief on wool at the present session of Congress. It seems to me that the Government owes us something after fixing wool prices at less than the market price during the war—

And that is a fact—

and it seems to me that it would be to the advantage of the country at large to save this industry from absolute ruin. After having gone through the period of high wages and operating expenses, increased tremendously by the drought and hard winter, we have no market for wool on account of the foreign wool dumped in here with no tariff and the advantage to the importers of the present exchange rates, giving them a premium of some 30 per cent.

Here is a letter from a banker situated in the very heart of the wool-growing section—

Mr. SIMMONS. Mr. President, I wish to ask the Senator a question, if he will yield to me for that purpose.

Mr. WARREN. Certainly.

Mr. SIMMONS. The Senator said that foreign wool has been dumped in here because we had no tariff. I will ask the Senator if he thinks that is the only reason why it has been dumped here?

Mr. WARREN. No.

Mr. SIMMONS. Is it not a fact that the chief reason why we have had the heavy importations of wool lies in the fact that the American market was able to take the surplus wool from abroad, while many other countries which had heretofore been the chief market for such wools were not in a condition to take them in the usual quantity?

Mr. WARREN. The Senator is speaking in the right direction, but does not cover the entire ground. The wool was brought here very largely by the Government of the United States, which feared that the wool produced in this country, even though it were all absorbed, as it was absorbed at their own figures, would not carry them through. So they imported enough to keep the manufacturers busy in manufacturing the cloth needed by the Government, and were forehanded enough so that at the time the armistice came they had on hand some 600,000,000 pounds of wool, which was made up quite largely of wool brought from foreign countries, and which has very much helped to glut the market, since the War Department has engaged in wool selling almost continuously from that time.

As the Senator from North Carolina has said, this was a market where there was money for wool; there was an equally good market with the British Government. The British Government agreed to take the wool of all of the growers in its Provinces at an agreed price during the war, and until some years thereafter; in other words, until June 30, 1920.

Owing to high freights across the water and the good market here, the wool market was sustained until May last, when, in fact, it dropped nearly out of sight in value in almost the twinkling of an eye. Inside of 10 days wool that had started in transit on its way to reach a market about equal to that of last year found no market, and now lies dead in the eastern markets, while the cost of handling, owing to high cost of labor and advanced freight rates, and so forth, is greater than ever before.

I will read a quotation from the letter written by a banker. He says:

I have nothing to add to what you may know better than I do. The only purpose of this letter is, if possible, to add weight to the tide of current opinion in this country which would urge that immediate legislation be enacted to save the sheepmen and others from going broke. Many of them are badly crippled, and some are sure to fall. There has been something very far wrong in any system of government that immediately following a war setting up an almost exclusive barrier against foreign importations would permit not only the free importation of foreign wool but permit those wools to come in with a bonus to the foreign importers of an amount equal to the difference in exchange, which is now about 30 per cent, as I understand it.

The writer further says:

I do not think we could be accused of having been free and easy in the matter of loaning money last year, as at that time there was the usual 50 per cent margin. What I have said of the sheepmen applies more or less to the other branches of the live stock and farming industry. I do not know what is going to become of us unless there are early remedies applied.

Mr. President, I have only a word to add, and that is that the sheepmen, with all other producers, had expected lower prices for their products; they have, so far as they could, provided for a recession of prices; but there is nothing in history equal to the severe and crushing giving away of the wool mar-

ket. As I have indicated, and as was brought out here yesterday, the same condition largely applies to the live-stock market. So to-day the grower of sheep, not being able to sell wool at all has to ship the live stock, has to go out of business, and put the sheep upon the market although they net him not much more than the freight, and his debt to the banker still confronts him.

Is that industry worth saving to the country? If it is worth saving something in the way of an embargo or of a measure equally effective and immediate, no matter how disagreeable or repugnant it may be to our ideas of ethics and the ordinary rule of legislation, must be enacted. It is an extremity in which this industry is appealing for immediate help, and the emergency is so acute as to be actually startling.

Of course we had very low prices and severe stress in this industry in 1893 and 1894, after we had had a season of free wool, but the condition which existed then came on more gradually and was nothing in comparison to the present distress. I want to indorse what the Senator from Utah [Mr. Smoot] said yesterday, that this industry will absolutely perish unless some relief is soon afforded it.

An embargo for a few months against all receipts of wool from foreign countries could, it seems to me, hurt no one. Those countries have large stocks of wool for home consumption. So have we. And while prices might not be greatly increased wool could be sold for home consumption and the congestion would thus be relieved.

I send to the desk for reference to the Committee on Finance certain letters, many of them being from bankers, which I have received.

The VICE PRESIDENT. The communications will be received and referred.

Mr. WARREN presented a letter in the nature of a petition from Mr. G. C. Muirhead, president of the Stockgrowers' State Bank, of Worland, Wyo., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

He also presented a telegram and letter in the nature of a petition from Hon. John Clay, of Clay, Robinson & Co., of Chicago, Ill., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Mr. E. P. Heald, Cody, Wyo., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from James T. Elliott, editor of the Sheep and Goat Raisers' Magazine, San Angelo, Tex., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Hon. A. H. Marble, president of the Stock Growers' National Bank, of Cheyenne, Wyo., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Mr. Roscoe M. Wood, member of the executive committee of the National Wool Growers' Association, of Douglas, Wyo., favoring an embargo or restoration of the duty on wool, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Hon. Ira B. Casteel, vice president of the Stock Yards National Bank, Denver, Colo., favoring an embargo or restoration of the tariff on wool, which was referred to the Committee on Finance.

DAUGHTERS OF THE AMERICAN REVOLUTION.

Mr. MOSES, from the Committee on Printing, reported the following resolution (S. Res. 397), which was considered by unanimous consent and agreed to:

Resolved, That the report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1919, transmitted to Congress by the Secretary of the Smithsonian Institution, pursuant to law, be printed as a Senate document, with illustrations.

JOHN SULLIVAN—CHANGE OF REFERENCE.

Mr. MOSES. I move that the Committee on Military Affairs be discharged from the further consideration of the bill (S. 4513) to correct the military record of John Sullivan and that it be referred to the Committee on Naval Affairs. The reference was made by error.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 4601) for the relief of Lewis Myshrahl; to the Committee on Military Affairs.

By Mr. ELKINS:

A bill (S. 4602) providing for the appointment of an additional district judge for the southern judicial district of the State of West Virginia; to the Committee on the Judiciary.

By Mr. UNDERWOOD:

A bill (S. 4603) extending the time for the commencement and completion of the bridge or bridges authorized by an act entitled "An act to authorize the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct a bridge over and across the headwaters of Mobile Bay and such navigable channels as are between the east side of the bay and Blakely Island, in Baldwin and Mobile Counties, Ala.," approved October 5, 1917; to the Committee on Commerce.

By Mr. WATSON:

A bill (S. 4604) granting a pension to Lewis V. Boyle (with accompanying papers); and

A bill (S. 4605) granting a pension to Gilbert Adams; to the Committee on Pensions.

By Mr. JOHNSON of California:

A bill (S. 4606) to amend section 24 and section 256 of the Judicial Code; to the Committee on the Judiciary; and

A bill (S. 4607) to provide compensation for maritime workers of the United States suffering injuries while in the service of merchant vessels of the United States, their owners, or charterers, and for the dependents of such maritime workers in case of death, and for other purposes; to the Committee on Commerce.

By Mr. KENYON:

A bill (S. 4608) to amend section 1 of the act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved July 27, 1916, and section 1 of the act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917; to the Committee on Commerce.

By Mr. JONES of Washington:

A bill (S. 4609) to regulate marine insurance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. RANSDELL:

A bill (S. 4611) to establish and maintain a forest experiment station in the Southern States; to the Committee on Agriculture and Forestry; and

A bill (S. 4612) for the relief of Harold Kernan; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 4613) to establish in the Interior Department a bureau of veteran reestablishment, and for other purposes; to the Committee on Finance.

REGULATION OF TRAFFIC IN THE DISTRICT OF COLUMBIA.

Mr. DILLINGHAM. Mr. President, Mr. William P. Eno, of this city, has for many years given especial attention to traffic regulation in large cities and has been instrumental in bringing about many reforms. He has recently prepared a bill relating to the same subject in the District of Columbia. So, at his request, I introduce a bill, which I ask to have referred to the Committee on the District of Columbia.

The bill (S. 4610) to provide standard general highway traffic regulations and adequate special highway traffic regulations for the District of Columbia was read twice by its title and referred to the Committee on the District of Columbia.

NET EARNINGS OF FEDERAL RESERVE BANKS.

Mr. STERLING. I introduce a joint resolution, and, because of the importance of the subject and its immediate interest, I ask unanimous consent that it may be read.

There being no objection, the joint resolution (S. J. Res. 222), relating to the use of the net earnings derived by the United States from the Federal reserve banks in the years 1921 and 1922, being the earnings accrued and accruing during the years 1920 and 1921, was read the first time by its title, the second time at length, and referred to the Committee on Banking and Currency, as follows:

Joint resolution (S. J. Res. 222) relating to the use of net earnings derived by the United States from the Federal reserve banks in the years 1921 and 1922, being the earnings accrued and accruing during the years 1920 and 1921.

Whereas it is anticipated that the net earnings derived by the United States from the Federal reserve banks during the years 1921 and 1922, being the earnings accrued and accruing during the years 1920 and 1921, will exceed \$100,000,000;

Whereas such earnings are derived from interest charges collected from the borrowing public; and

Whereas it is deemed to be in the public interest at this time that such earnings should not be withdrawn from the use of productive industry; and

Whereas there is a scarcity of credit for the orderly marketing of farm products and the production of live stock: Therefore be it

Resolved, etc., That the Secretary of the Treasury, in his discretion, may use not to exceed in the aggregate \$100,000,000 of the net earnings which shall be derived by the United States from the Federal reserve banks during the years 1921 and 1922, being the earnings accrued and accruing during the years 1920 and 1921, as hereinafter provided:

Immediately upon the receipt by the Treasury in 1921 of such net earnings for the year 1920, and the receipt in 1922 of such net earnings for the year 1921, the Secretary of the Treasury shall advise the Federal Farm Loan Board of the amount available for the purposes hereinafter designated, and the Federal Farm Loan Board shall thereupon immediately allot the same to the several Federal land bank districts in proportion to the needs of such districts for the purposes described.

The sums so allotted to the several Federal land bank districts shall, upon the request of the Federal land bank of any district, approved by the Federal Farm Loan Board, be placed with such Federal land bank as financial agent of the Government of the United States, to be used for the purpose of purchasing paper based on staple agricultural products or live stock.

Any Federal land bank, as such financial agent, may purchase, in the name of the Government of the United States, with the funds so deposited from banks within its district, whether members of the Federal Reserve System or not, paper based on staple agricultural products in the hands of the producer or on live stock, according to regulations to be prescribed by the Federal Farm Loan Board.

No loan purchased under this act and based on agricultural products shall be for a period longer than nine months, and no loan based on live stock shall be for a period longer than two years.

No Federal land bank shall purchase from any bank, under the provisions of this act, paper in an amount greater than three times the capital and surplus of the selling bank, nor shall any paper be purchased from any bank located in a reserve city.

All loans purchased under the provisions of this act shall be indorsed and guaranteed unconditionally by the bank selling the same to the Federal land bank.

Loans purchased under the provisions of this act shall bear interest at the rate of 6 per cent per annum, payable in advance, if the loan be for a period of six months or less; if for a longer period than six months, payable semiannually in advance, but any borrower, under the provisions of this act, may be charged for the expenses incident to his loan a sum to be approved by the Federal Farm Loan Board, not exceeding an amount equal to 2 per cent per annum for the period of the loan, of which 1½ per cent may be retained by the indorsing bank and one-half of 1 per cent by the Federal land bank making the loan.

No loan shall be purchased by any Federal land bank, under the provisions of this act, which exceeds 85 per cent of the cash value of the staple agricultural products or live stock by which such loan is secured.

Any paper purchased by any Federal land bank, as herein authorized, may be by such bank renewed or extended wholly or in part and the proceeds of any paper collected may be by the proper Federal land bank reinvested as herein authorized: *Provided*, No paper shall be so renewed, nor shall any loan be so made as to create a maturity later than January 1, 1924.

The several Federal land banks shall so administer the trust as financial agents of the Government as to complete their transactions hereunder as near as may be by January 1, 1924, and shall forthwith thereafter account for and pay over to the Treasury all moneys collected, both principal and interest.

Such money when paid into the Treasury shall be subject to the uses prescribed by the second paragraph of section 7 of the act approved December 23, 1913, known as the Federal reserve act, for the net earnings derived by the United States from Federal reserve banks.

EXCLUSION OF ALIENS.

Mr. HARRIS submitted an amendment proposing to prohibit for five years the immigration of aliens to the United States, intended to be proposed by him to the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes, which was referred to the Committee on Immigration and ordered to be printed.

INDIAN CLAIMS.

Mr. HARRISON submitted an amendment proposing to refer to the Court of Claims the cases of the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Indians, arising under or growing out of any treaty stipulation or agreement with the United States, intended to be proposed by him to the bill (H. R. 10105) conferring jurisdiction upon the Court of Claims to hear, examine, consider, and adjudicate claims which the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Indians may have against the United States, and for other purposes, which was referred to the Committee on Indian Affairs and ordered to be printed.

MINING CLAIMS.

Mr. WARREN submitted an amendment proposing to extend the time for suspending the law during the year 1921, which requires that \$100 worth of labor be performed on all mining claims of the United States, intended to be proposed by him to the joint resolution (S. J. Res. 216) to suspend the requirements of annual assessment work on mining claims during the year 1920, which was referred to the Committee on Mines and Mining and ordered to be printed.

THE WOOL INDUSTRY.

Mr. WALSH of Montana. Mr. President, some attention was given on yesterday morning to the question of the appropriate committee for the consideration of the so-called embargo bill. Since then my attention has been called to the bill introduced

by the Senator from Utah [Mr. Smoot] which is a bill (S. 4537) to provide revenue and to maintain the wool-producing and manufacturing industries of the United States in a condition of preparedness for national requirements.

It was the opinion of the Senator from Utah that the bill should appropriately go to the Committee on Finance, and I have not been understood as offering any objection to that reference, but the Senator will observe that the title of the bill characterizes it as a bill to raise revenue, and it purports to amend the revenue act. Now, if it is such, of course, this body has no jurisdiction over the subject at all.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Montana that the reason why I introduced the bill was because it might be possible to agree with Members of the House that whichever body could act first should do so. It does change and will necessarily change the revenue law because of the fact that manufacturers of woolen goods are involved, upon which there is a duty, and it repeals certain sections of the law and necessarily will have to do so.

I am not going to push its consideration in the Senate, if after conference to-day with the chairman of the Committee on Ways and Means of the House he desires that the House shall act first. I shall not ask for any action upon it here in that event, but if after that conference he has no objection to it or there is no objection upon the part of Members of the House, to hasten the matter, I shall ask that it be considered by this body, although the bill does not raise revenue, but prevents the collection of it.

Mr. WALSH of Montana. That is not really the matter to which I have desired to direct the attention of the Senator. Of course, the Senator must expect that in this body there will be some opposition to the measure, and anyone opposing the measure in this body may immediately arise and assert, and he must be sustained, that this body has no jurisdiction whatever over the subject, and we can not get consideration for the measure at all in this body. So I suggest, in the interest of expedition, that the Senator consider whether the bill is really a measure for raising revenue.

Mr. SMOOT. It does not raise revenue. The bill is to amend the act that is recited in the title of the bill.

Mr. WALSH of Montana. If that is the case, then there is no use in this body doing anything at all about it. Indeed, we can not do anything about it until the House of Representatives acts. My own opinion about the matter is that the Senator is in error on that point. The Constitution provides that bills for raising revenue shall originate in the House of Representatives. We do not propose to raise any revenue; we propose to prevent revenue from being raised; and therefore my own opinion about the matter is that the bill is not a bill of which the House of Representatives has original and exclusive jurisdiction. But I suggest to the Senator that the form in which the bill is prepared lends much strength to the argument that it is such, and accordingly that this body has no jurisdiction.

Mr. SMOOT. That question will be discussed if it is decided to bring the bill before the Senate for action before action is taken in the House. I rather agree, and have stated so in the Committee on Finance, that the position just taken by the Senator from Montana is the correct one, and it will be discussed, and I shall take the same position as the Senator if the question is raised. I do not want to have any feeling between the Senate and the House, and therefore I have asked for the conference to which I have referred. That conference will take place to-day. The Senator, I think, has the same idea that I have in relation to the necessity for the legislation.

Mr. WALSH of Montana. I suggest to the Senator that if he introduce a bill embracing just the last two lines of his bill, namely, "the importation of wool, manufactures of wool, wool wastes, and wool on the pelt are hereby prohibited," that is all he needs. If he will refer that bill to some committee other than the Committee on Finance this body might then, it seems to me, appropriately proceed to consider it. If we find, then, any differences arise between the House and the Senate those could be very readily adjusted and the Senator could go on with the consideration of the matter in this body. But it occurs to me that we will not be permitted to take a step under the bill introduced by the Senator as it stands now.

Mr. SMOOT. I think otherwise. I think that if we get this legislation enacted into law we must not antagonize the House, and therefore I am going to take every precaution that I can to see that there is no difference between the two bodies.

Mr. WALSH of Montana. That is my purpose, and I suggest to the Senator that he is precipitating it by this course.

Mr. SMOOT. I think the suggestion of the Senator would meet the same objection that the bill I have introduced has met. The bill which I have introduced simply covers the situation and explains in detail just what the legislation is.

REDUCTION OF ARMAMENTS.

Mr. WALSH of Montana. Mr. President, it will be recalled that under article 8 of the covenant of the League of Nations the council is charged with the duty of preparing plans for the reduction of armaments, to be submitted by it to the various Governments for their consideration and action. The council has entrusted to a commission created by it the work of drafting such a plan, to be submitted to it, and when approved by it—if it shall be approved—to the various governments.

The commission, proceeding with its work, immediately encountered the embarrassing fact that the United States was not in any manner represented. Obviously no plan for a reduction of armaments could receive the approval of the other great powers of the earth unless the United States joined in the plan, a consummation to be wished but not likely to be reached unless it should participate in the formulation of the plan; and, the situation being presented to the council, an invitation was sent by it to the Government of the United States to send a representative to sit with the commission thus created by the council when it should consider such, such representative to act in a consultative capacity.

To this invitation the President of the United States sent a letter declining, in the course of which he said:

The President of the United States is deeply interested in this question and is most desirous of cooperating to this end, but as the Government of the United States is not a member of the league he does not feel justified in appointing a commission to take even a de facto participation in the deliberations of the council or of the commission acting on behalf of the council in the execution of provisions in the covenant of the League of Nations.

That appears to me to be an utterly inadequate reason for not sending a representative from this country to engage in this great work. To me it appears to be a matter of entire indifference in connection with the effort thus inaugurated, whether we are or are not members of the League of Nations. The great powers other than the united nations are engaged in what appears to be a bona fide effort to bring about a reduction of armaments. I can see no reason why we should not participate in that effort.

I feel not only that the position taken is utterly inadequate to justify a determination not to participate, but that it will be regarded by the world as so inadequate and indefensible that the conclusion will naturally be indulged that we declined for some reason other than that which is thus stated, and it is an easy step from that to the conclusion that we do not desire to participate in the movement because we are opposed to any plan for a general reduction of armaments, and from that to the conclusion that we are opposed to any reduction in armaments because we have imperialistic designs, calculated to excite suspicion in the minds of the people of many of the nations of the earth. That, to my mind, would be an utterly unjust and unfounded suspicion. I knew the people of the United States harbor no such purposes, and I am entirely convinced that they have never receded from the position which they have long maintained, that there ought to be a general plan arrived at by all the great powers for a reduction of armaments.

Mr. President, we are advised that the estimates for the Army and Navy of the United States for the current year mount to the almost inconceivable sum of a billion and a half dollars. If there were no other reason, the condition of the world at the present time would give force to the suggestion that a reduction ought to be accomplished in order to relieve the labor of the world from the ever-mounting cost of armaments.

The position of the United States upon this subject has often been expressed. I refer to the last formal expression, found in the Naval appropriation act of 1916, from which I read as follows:

It is hereby declared to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration, to the end that war may be honorably avoided. It looks with apprehension and disfavor upon a general increase of armament throughout the world, but it realizes that no single nation can disarm, and that without a common agreement upon the subject every considerable power must maintain a relative standing in military strength.

In view of the premises, the President is authorized and requested to invite, at an appropriate time, not later than the close of the war in Europe, all the great Governments of the world to send representatives to a conference which shall be charged with the duty of formulating a plan for a court of arbitration or other tribunal, to which disputed questions between nations shall be referred for adjudication and peaceful settlement, and to consider the question of disarmament and submit their recommendation to their respective Governments for approval. The President is hereby authorized to appoint nine citizens of the United States, who, in his judgment, shall be qualified for the mission by eminence in the law and by devotion to the cause of peace, to be representatives of the United States in such a conference. The President shall fix the compensation of said representatives, and such secretaries and other employees as may be needed. Two hundred thousand dollars, or so much thereof as may be necessary, is hereby appropriated and set aside and placed at the disposal of the President to carry into effect the provisions of this paragraph.

Mr. President, I can very readily understand how, in view of events that have transpired within the past year and a half, the President of the United States should have made such a reply. I dare say that if he had sent a representative in accordance with the courteous invitation extended by the council of the league, it would be charged upon many hands that it was another effort upon his part to force us into the League of Nations and that he was, despite what has transpired, actually participating in its deliberations. I undertake to say that if the great powers of the earth had, without reference to the council, extended an invitation to the United States to send a representative to meet representatives sent by them for the purpose of considering a reduction in armaments, no one would be heard to urge that such an invitation should be declined. What is the difference if they choose to send the invitation through the council of the League of Nations, they to be represented by their delegates to the council rather than by representatives selected for that specific work?

But, Mr. President, the Senate of the United States, as I conceive it, has a duty in this matter as well as the President of the United States. This body is a necessary and integral part of the treaty-making power. We can not fail, as it seems to me, to take cognizance of this invitation extended to the Government of the United States to participate in this effort to accomplish a reduction in armaments.

Accordingly, I offer the resolution which I send to the desk, and ask that it be read.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 398) was read, as follows:

Whereas pursuant to article 8 of the covenant of the League of Nations, wherein it is recited that "the members of the league recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations," the council of the league has appointed a commission with authority to formulate plans for such reduction, to be, when approved by the said council, submitted for the consideration and action of the several Governments; and

Whereas it is reported that the said commission labors under some embarrassment in its work by reason of the fact that the United States is not represented either on the said commission or the said council; and

Whereas the people of the United States have long hoped for some international agreement for the reduction of armaments, not only to preserve peace but that the labor of the world may not be unnecessarily burdened with the ever-mounting cost of maintaining armed forces in accordance with the policy of the powers in the past; and

Whereas the said council of the League of Nations has addressed to the President of the United States a communication inviting it to designate a representative to sit with such commission in a consultative capacity during the study by the commission of the question of the reduction of armaments: Now, therefore, be it

Resolved, That the President be, and he hereby is, requested to express to the council of the League of Nations the earnest desire of the Government of the United States to cooperate with the commission so by the said council appointed and with the said council in the formulation of plans looking to a general reduction of armaments, for submission to the several Governments for their consideration and action, and that he be, and he hereby is, further requested promptly to designate, with due authority, such representative.

Mr. WALSH of Montana. Mr. President, just one word touching the second request of the resolution, namely, that a representative be designated by the President to participate in the discussions as requested. I should like very much, indeed, if favorable action is taken on the resolution, to have it so arranged that the nomination by the President should be sent to the Senate for confirmation. I am not sure that that can be accomplished, although I daresay it can, and I want to suggest the means by which it can be done.

Mr. LODGE. Mr. President, this seems to be a resolution of very great importance, and I think it ought to go to the Committee on Foreign Relations.

Mr. WALSH of Montana. It was my purpose, of course, to ask that it go there.

Mr. LODGE. I beg pardon; I did not know that that was the purpose of the Senator.

Mr. WALSH of Montana. The Constitution gives to the President of the United States power to make treaties by and with the advice and consent of the Senate. Our practice is that the initial negotiations are with him. He may conduct them in person or he may designate some representative to act for him. The discussions to be entered upon would be in the nature of negotiations for a treaty, and I think it is understood by the world now that no agreement of the kind proposed can be entered into by the United States only upon the advice and consent of the Senate, two-thirds of its members concurring. It has been the practice for the President to designate, without the concurrence of the Senate, negotiators of treaties. That practice was followed in the negotiation of the treaty of Ghent. It was challenged at the time, but the validity of the exercise of such power by the President I believe has never since been seriously questioned.

Notwithstanding that, Mr. President, in the particular circumstances which confront us, I should like to have the matter considered carefully by both Houses of Congress, and to see taken the judgment of both on the proposition as to whether we ought not to meet in the most hospitable spirit any proffer coming from any responsible quarter of an opportunity to join in arranging a plan for the reduction of armaments.

The expression to be desired might be accomplished by a bill providing for the appointment of negotiators, substantially like the provisions of the act of 1916, to which I have adverted. If the suggestion is deemed by the Committee on Foreign Relations to be of any value, its recommendation can be made accordingly. That is, I desire primarily to test the temper of both Houses of Congress with respect to disarmament—essential, I believe, to the salvation industrially of the world.

Mr. BORAH. Do I understand that this is a joint resolution?

Mr. WALSH of Montana. No; it is a Senate resolution. I ask that it be referred to the Committee on Foreign Relations; I also ask that the invitation extended by the council of the league, and the reply of the President of the United States thereto be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington Herald, December 6, 1920.]

UNITED STATES "CONSULTANT" INVITED ON LEAGUE'S WAR BOARD—STATE DEPARTMENT UNDECIDED ON ACCEPTING GENETIA PROFFER TO SEAT AMERICAN ON MILITARY COMMISSION.

The League of Nations at Geneva has transmitted to the State Department an official invitation to name American representatives to sit in a "consultative" capacity on the permanent military, naval, and air commission of the league.

It was announced at the State Department last night that the Government had not as yet made up its mind what its eventual attitude toward the proposal would be. A high authority in the department expressed the opinion that as the United States is not a member of the league it was hardly likely to avail itself of an opportunity to participate even "consultatively" in a league commission.

The communication telegraphed by M. Hymans, president of the council, reads:

"The council of the League of Nations, acting on a unanimous recommendation of the permanent military, naval, and air commission of the league, passed at its meeting in Geneva on November 25, invites the Government of the United States to name representatives to sit on that commission in a consultative capacity during the study by the commission of the question of the reduction of armaments, a study which the council has requested the commission to undertake forthwith.

"The permanent advisory commission was constituted by the council of the league at its meeting in Rome last May and held its first session at San Sebastian in August. The commission is at present composed of military, naval, and aerial officers of States represented on the council of the league. Its decisions are purely advisory and not in any sense binding, but they represent the common technical judgment of the experts of many countries.

"It would, of course, be perfectly understood that the presence of the representatives of the United States would in no way commit the American Government to whatever opinions may be finally put forward in the report of the commission. Nor indeed can that report itself be more than a basis for the consideration by the members of the league of the measures of reductions in armaments which united action may enable them to achieve. Nevertheless, just as in the case of the financial conference at Brussels the presence of an American representative, whose function was only that of giving and receiving information, was an important factor in the success of the work of the conference, so it can not be doubted that the general consideration of the subject of the reduction of armaments will be greatly facilitated if the Government of the United States can see its way to be represented in a similar manner at the meetings of the permanent advisory commission.

"The problem is one to which public opinion in all countries attaches the highest importance.

"It is unnecessary to point out that the reduction of armaments is essential for the well-being of the world and that unless some measures of relief can be found by international cooperation for the excessive taxation due to armaments the general economic situation must become increasingly worse.

"The council in extending this invitation can not but hope that the Government of the United States, particularly in view of the attitude of America toward the question of the competition in armaments, will not refuse to associate itself with the Governments of the members of the league in beginning the preliminary work necessary for ultimate success and to lend to the present effort an assistance which can in no way encroach upon its own perfect liberty of action."

WILSON DECLINES LEAGUE INVITATION—TELLS COUNCIL HE DOESN'T FEEL JUSTIFIED IN NAMING DISARMAMENT ENVOYS—BARRED BY NON-MEMBERSHIP—PRESIDENT DECLARES UNITED STATES IS IN SYMPATHY WITH PLANS OF COMMISSION.

[By the Associated Press.]

President Wilson yesterday declined the invitation of the League of Nations to send delegates to take part in the discussions of the disarmament commission.

The President informed the League of Nations council that inasmuch as the United States was not a member of the league he did not feel justified in appointing a commission "to take even a de facto participation."

The United States, however, the President declares, is in sympathy with any plan for world disarmament.

SENDS REPLY TO HYMANS.

The reply was transmitted yesterday through the State Department to Paul Hymans, president of the council. It follows:

"I have the honor to acknowledge the receipt of your cablegram of December 1 inviting the Government of the United States to name

representatives to sit with the military, naval, and air commissions of the league in a consultative capacity during the discussion by the commission on the reduction of armaments, the consideration of which is to be undertaken by it forthwith at the request and on behalf of the council.

ADMITS A DEEP INTEREST.

"The Government of the United States is most sympathetic with any sincere effort to evolve a constructive plan for disarmament, which is necessary for the economic rehabilitation, peace, and stability of the world. The President of the United States is deeply interested in this question and is most desirous of cooperating to this end, but as the Government of the United States is not a member of the league he does not feel justified in appointing a commission to take even a de facto participation in the deliberations of the council or of the commission acting on behalf of the council in the execution of provisions in the covenant of the League of Nations."

The VICE PRESIDENT (at 12 o'clock and 45 minutes p. m.). The morning business is closed.

FINANCING OF AGRICULTURAL OPERATIONS.

Mr. GRONNA. On yesterday, before adjournment, the unfinished business, Senate bill 3944, was laid before the Senate, with the understanding that the War Finance Corporation joint resolution should be taken up. I therefore ask that the unfinished business be laid aside temporarily so that Senate joint resolution 212 may be taken up for consideration.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 212) directing the War Finance Corporation and the Federal Reserve Board to take certain action for the relief of the present depression in the agricultural sections of the country.

Mr. SMOOT. Mr. President, I have not had time to discuss this joint resolution with the chairman of the committee, and I am going to take just a few minutes of the Senate's time to call his attention to section 2 of the joint resolution.

I can not conceive why section 2 is in this joint resolution, and there are certain expressions in it which I know it is impossible to interpret. I can not see why the Senate should undertake to direct the Federal Reserve Board, by language which no one can understand and will not tend to secure the object the Senator introducing the joint resolution had in mind. For instance, it says, "That the Federal Reserve Board is hereby directed to take such action as may be necessary."

That is a broad expression, Mr. President; who knows what will be necessary; and I do not know of any direction in the past by Congress to any agency of the Government couched in such words.

Then it proceeds to say:

To permit the member banks of the Federal Reserve System, in accordance with law and consistent with sound banking.

Another very strange expression to be enacted into law.

Following that it says, "by permitting the rediscounting of such notes of extension at the lowest possible rate of interest." If that were interpreted by the Federal Reserve Board literally, it would be 1 per cent or less. Section 2, it seems to me, will not clarify things, but will bring into the law expressions which it will be impossible for members of the board to follow.

I can not see any reason for section 2 to reach just what the committee has in view; that is, to revive the War Finance Corporation. If it is revived, then the act creating the corporation will be in force, and that provides just what the corporation can do.

Mr. BORAH. Mr. President—

Mr. GRONNA. If the Senator from Idaho will pardon me a moment, the Senator from Utah has failed to read that portion of the paragraph which is vital, and that is the language, "in accordance with law and consistent with sound banking."

Mr. SMOOT. I read that.

Mr. GRONNA. Can the Senator imagine any language more definite than that particular language?

Mr. SMOOT. Yes. If the Senator had said, "in accordance with law" and left out the words "and consistent with sound banking," it would have been understood by all. What is deemed "consistent with sound banking"?

Mr. BORAH. That is the question I wanted to ask.

Mr. SMOOT. One man may say one thing, another man may say another, and I do not see how we can direct the Federal Reserve Board to proceed in a way that will be "consistent with sound banking."

What we ought to do, if we are going to direct them to do anything, is to say positively what we want them to do; and I think that "in accordance with law" is sufficient, because I do not believe they have any right, nor should they have, to proceed in any other way than in accordance with law. When this corporation is revived, then the act creating the War Finance Corporation will be in force again, and they will operate under that law. I think that is all the Senator wants.

Mr. GRONNA. Mr. President, so far as I am personally concerned, I can assure the Senator from Utah that it would be

very satisfactory to me to strike out the language "consistent with sound banking," if the Senator from Utah is satisfied with the language, "in accordance with law." I shall not now take the time of the Senate or speak further in the Senator's time, but I had assumed that any man who had had anything whatever to do with banking would at all times know what "sound banking" means.

Mr. SMOOT. There are men appointed on boards and commissions in the departments who never before in their lives followed the business which they are appointed to handle. I do not believe that any man ought to use his judgment as to what sound banking might be, if it conflicts in any way with the law.

Mr. GRONNA. There can be many theories, but there can be only one practice or method of sound banking, and no one knows that better than the Senator from Utah.

Mr. SMOOT. Then, Mr. President, it seems to me that the only thing to do is to strike out section 2. Perhaps it will shorten this discussion, as far as I am concerned, if the Senator will really tell me why section 2 is in this joint resolution. What is the object of it?

Mr. GRONNA. The object of section 2 is this: That the committee recognized, as every Senator will recognize, that some of this relief must come with the cooperation of the Federal Reserve Board.

Mr. SMOOT. They can only do it under the law.

Mr. GRONNA. If the Senator will permit me, a careful reading of the War Finance Corporation act will show that it is exactly in compliance with the law. The Senator will upon reflection see that it is nowhere in opposition to or in violation of the provisions of the War Finance Corporation act.

Mr. SMOOT. If section 2 becomes a law, can the Federal Reserve Board do more than they can now do under the law?

Mr. GRONNA. It is more of a suggestion. As the Senator from Georgia [Mr. SMITH] so well said yesterday, the first section is absolutely mandatory. Section 2 is a very helpful suggestion—

Mr. SMOOT. I am not criticizing section 1.

Mr. GRONNA. Because every business man knows that much valuable relief can be given through the Federal Reserve Board cooperating with the War Finance Corporation. Nobody knows that better than the Senator from Utah.

Mr. SMOOT. I expect, Mr. President, that both those agencies will act along the line that is provided by the laws which are upon the statute books. All the Senator wants to do is to revive the War Finance Corporation.

Mr. GRONNA. That is one of the objects.

Mr. SMOOT. If the Senator desires to do more than that, then this joint resolution is not sufficient. When the War Finance Corporation is revived, then it finds its power in the act approved April 5, 1918, by which the corporation was created. In this joint resolution we are not giving them any more power.

Mr. GRONNA. No.

Mr. SMOOT. There is nothing here that is giving more power to the Federal Reserve Board than they have under existing law. Therefore it seems to me that what the Senator wants to do is to revive the War Finance Corporation, and not say anything about the Federal Reserve Board, unless you want to amend the act creating it.

Mr. GRONNA. It is not the intention of the committee, so far as I know, to make any amendment to that law, nor do the provisions of this joint resolution amend the law in any respect, neither the original law nor the amendment which was enacted on March 3, 1919, which of course extended the jurisdiction of the War Finance Corporation to do business with foreign nations, as the Senator well knows. I have not had the time to confer with the other members of the committee, but so far as I am personally concerned I have no objection to striking out the language "and consistent with sound banking." However, I do insist that section 2 is material and important, and I would not be willing to strike it out.

Mr. SMOOT. Well, Mr. President, I shall certainly offer an amendment to strike out section 2 of the joint resolution when the time comes. I do not think for a moment that when the attention of Senators is called to it they will insist upon section 2 remaining in the bill.

Mr. SMITH of South Carolina. If the Senator will allow me, I think the main object of this section is to call the attention of the Federal Reserve Board to the high rate of rediscount obtaining now, and to the necessity, as a great many see it, of lowering the rate of rediscount on this class of paper, under the power which they have under the law. It is not without precedent that that is sought to be done, because in 1914 and 1915 the Federal Reserve Board gave a preferential

rate to agricultural paper. It did it for the benefit of the country, and it resulted in benefit to the country.

Mr. SMOOT. It was done under the existing law.

Mr. SMITH of South Carolina. It was done under the existing law. I think myself that perhaps the language "in accordance with law and consistent with sound banking" might be left out, and, going right to the heart of the matter, which is to give a preferential rate to agricultural paper, the section should read, just leaving out any reference to sound banking principles or "in accordance with law," as follows:

That the Federal Reserve Board is hereby directed to take such action as may be necessary to permit the member banks of the Federal Reserve System to grant liberal extensions of credit to the farmers of the country upon the security of the agricultural products now held by them, by permitting the rediscounting of such notes of extension at the lowest possible rate of interest.

The Senator must remember that the rate of rediscount now is 6 per cent, and in North Carolina the usury rate is 6 per cent, so that a bank in North Carolina could not rediscount a dollar at Richmond. According to the Comptroller of the Currency the resources of the banks of the country are \$53,000,000,000. We all know that there is money enough in this country and brains enough in this country to bridge the chasm between us and the nations of Europe, who need our commodities, and to get the securities that would be necessary to move our products from this country abroad; but the man who has the products is the man who has not the organization and the capital to relieve the situation, and the man who has not got them generally wants them to go down. That is the situation, and that is what we are trying to obviate now.

Mr. SMOOT. If that is the object of section 2, why not express it so that everyone will understand it? Section 2 does not say that at all. If that is what we want to do, we ought to amend the law and say that the rate of interest shall not be above a certain percentage.

Mr. SMITH of South Carolina. If the Senator will allow me to make a further observation, the law allows them now to use discretion in their rates of interest on certain classes of paper. Why, even the merchant dealing in the wool of the West and the cattle of the West and the cotton of the South is absolutely or practically without a market, not because there is not a potential demand, but because everybody has lost faith, because the word went out, "Deflate, deflate," and certain loans were called; and the intricate relations of all the business of this country are such that you can not vitally affect one without affecting every one. When you began to knock your ninepins down they all went down.

Why should we not say directly that it is the judgment of Congress that we should extend a preferential rate to the fundamental business upon which this country rests—agriculture?

Mr. SMOOT. The law now gives that right, and if we are going to change it let us say what we want them to do and not infer by language that they can act in any way they want to. The law now gives them the right to make different rates.

Mr. SMITH of South Carolina. The law now is for the War Finance Corporation to operate, but it is not operating, and we are directing it to operate.

Mr. SMOOT. You are rehabilitating that, and there is a question about its power to function.

Mr. SMITH of South Carolina. It is still the law.

Mr. SMOOT. There is a question about that. There is no need of going into that, because I think the Senate is pretty well convinced of the need for the rehabilitation of that corporation; but section 2 is an entirely different proposition. It has been stated upon the floor of the Senate that as a result of section 1 and the rehabilitation of the War Finance Corporation the corporation will not sell more bonds. If they are not going to sell more bonds nothing will come from the passage of this resolution. The War Finance Corporation will go into the market immediately and sell their bonds, and that is what we all understand they will do.

Mr. SMITH of South Carolina. If the Senator will allow me again, I do not know that the second section is so vital if the other functions according to its purpose and intent. But I do know that the rate of rediscount on commercial paper in this country now was raised to a point where it is for the express purpose of contracting the currency. Now that, in conjunction with the widespread propaganda, was the expressed policy of our Federal Reserve officials, that we must deflate, but perhaps they got the terms "deflation" and "expansion" mixed in their minds. However, whatever was their purpose they have accomplished it—there is no doubt about that—to the bankruptcy of the country.

We thought one of the elements that had entered in was their lack of inspiring confidence along certain fundamental lines, namely, the agricultural interests, and in expressing a

preferential rate toward them and toward certain other things that might not be as necessary we would not only render real material aid but inspire confidence, the Government recognizing the fact that the agricultural interests of this country were the bedrock upon which everything rests, and that the prosperity of agriculture means our prosperity and its ruin our ruin. That is the object, I think, of section 2.

Mr. SMOOT. No matter how much I may desire to see section 1 passed, I do not want to make any statement upon the floor of the Senate that would not be justified. We have heard much about the deflation of currency. We have had no deflation of currency to the present time.

Mr. BORAH. May I ask the Senator from Utah a question for my own enlightenment? I know the Senator has given a great deal of consideration to this subject. I find from some figures which have been furnished me that New York City banks have on deposit from country banks at this time \$1,021,211,022. That is money drawn from the country which ought to be out doing the service of the country. Does the Senator know of any method under the present law by which that condition of affairs could be remedied?

Mr. SMOOT. I will say to the Senator from Idaho that the law of each State requires that its banks shall have a certain percentage of their deposits on hand. No bank keeps the full percentage in its vault. Such banks deposit a part of their reserves in the New York banks and receive from 2 to 2½ per cent on their daily balances. The interest received is one reason they keep it there. Not only that, they keep credits in New York banks in order that they may issue drafts to their customers to pay their debts for eastern purchases and carry on all sorts of transactions that occur in all parts of the country. A New York draft is taken in San Francisco; it is taken in Kansas City; it is taken in Chicago; it is taken everywhere; and nearly every bank in the United States of any size keeps an account with the New York banks and receives 2 to 2½ per cent on their daily balances. That is one reason the money is held in New York, I will say to the Senator. If they had this money now in the banks in New York out in their own vaults, they could not lend any more of it than they are lending now, because of the very fact that the law requires that they shall keep a certain percentage of their deposits on hand.

Mr. BORAH. Does the Senator contend that the law requires that they shall keep this amount on hand?

Mr. SMOOT. The amount that is named, and a great deal more, in my opinion, I will say to the Senator. I do not think there is a bank now in the United States that has very much more on hand than the law requires. They are loaned down as low as at any time in the history of the country.

Mr. GLASS. Mr. President, I think I must have misunderstood the Senator from Utah if he contends that there is any law, National or State, that compels any bank to keep a balance in any correspondent bank in New York City.

Mr. SMOOT. I never made such a statement.

Mr. GLASS. The Senator from Idaho asked why the money was in New York.

Mr. SMOOT. And I told the Senator why it was in New York.

Mr. GLASS. I do not think the Senator from Utah was exactly accurate in his statement.

Mr. SMOOT. What did the Senator from Utah say?

Mr. GLASS. Perhaps I did not hear the Senator fully.

Mr. SMOOT. I think the Senator from Virginia did not understand what the Senator from Utah said.

Mr. BORAH. What I would like to know from some one who knows is why all this money is congested in New York City, where, we are informed, they are using it in large measure for purely speculative purposes and dealing in a class of securities which does not help the country in a crisis like this. This money seems to be used largely for loans on call at a very high rate of interest and for a class of business which serves the country in times like these very little indeed.

Mr. GLASS. I understood the answer of the Senator from Utah to be that it was drawn there by the payment of a low rate of interest on deposits. As a matter of fact it is drawn there to be loaned out as call money at a very high rate of interest.

Mr. SMOOT. This is what the Senator from Utah said, and the Senator from Utah knows what he is talking about—

Mr. GLASS. I do not deny that at all. Perhaps I did not understand the Senator from Utah aright.

Mr. SMOOT. This is what the Senator from Utah said. The Senator from Utah said that most of the banks in the intermountain country, in the West, and in the Middle West as well, maintain an account in the banks in New York City and the amount that is deposited in New York is a part of the

percentage of their deposits that is necessary to keep on hand. The reasons why banks deposit money in New York are twofold. One is that they must have funds in New York to issue drafts against the same to their customers to meet their customers' obligations and—

Mr. GLASS. For which there is no use at all under the Federal Reserve System, and the money kept in New York by the country banks is not there as a part of the legal requirements of the money on hand. That was all changed by the Federal reserve act. The money required to be kept on hand and deposited is kept with the Federal reserve banks and not with the New York banks or any other banks except the Federal reserve banks.

Mr. SMOOT. I know what we do in our banks. I know we count it as a part of the reserve; and I know other banks do it, so there is no need of discussing it.

Mr. GLASS. They have no right to count it.

Mr. SMOOT. I know they count it as a part of their reserve.

Mr. GLASS. They are not permitted under the law to count deposits with correspondent banks as a part of their reserve.

Mr. SMOOT. Not for the Federal reserve bank, but they are permitted to do so as to the amount of money on deposit that the States by law require, and I said that was under the State law, and the Senator from Idaho [Mr. BORAH] will sustain me in that statement.

Mr. GLASS. The Senator may be correct.

Mr. McLEAN. May I ask the Senator from Idaho [Mr. BORAH] if this statement which he has just read referred to the Federal reserve banks and member banks or all of the banks of the country?

Mr. BORAH. This is given to me as the amount of money on deposit in New York City banks by the country banks.

Mr. McLEAN. Very likely the 20,000 banks that are not in the system would account for a large portion of those deposits.

Mr. BORAH. In addition to that, the banks of eight of the large cities in the United States have on deposit in country banks \$1,977,460,000. You see where the money of the country is. It is congested in these money centers, and the very object of the Federal Reserve System was to prevent that condition of affairs. The fact is that the Federal Reserve System does not seem to be operating as it was intended to operate. It looks like there was undue influence in some quarters. I trust I am in error, but this is not a healthy condition of affairs.

Mr. McLEAN. So far as the Federal Reserve System is concerned, I think the Senator will find that the reserves of the member banks are being deposited of course in the Federal reserve banks, and these reserves are kept there, and the eastern Federal reserve banks are now lending very largely to the southern and western banks, and there is no concentration of currency in New York.

Mr. BORAH. I beg the Senator's pardon, but I have the loans also which accompany this proposition to the country banks, and it makes very little difference in the sum total of the figures.

Mr. McLEAN. According to Gov. Harding's statement before the Committee on Agriculture on this very matter, the southern and western banks are now borrowing large sums from the eastern banks. The western banks are borrowing very largely from the eastern banks belonging to the Federal Reserve System. That was Gov. Harding's testimony.

While I am on my feet I want to say to the chairman of the Committee on Agriculture and Forestry that section 2 of this joint resolution is absurd, in my opinion.

Mr. SMOOT. It is perfectly absurd.

Mr. McLEAN. There is no question about that. It does not attempt to add one dollar to the reserves of the Federal reserve banks or of the member banks. When we pass a law directing the Federal Reserve Board to do all that may be necessary to extend credits to the farmers at the lowest possible rate of interest, we direct them to do what can not be done, unless we provide some way by which the reserves in those banks may be increased.

Mr. SMITH of South Carolina. If the Senator from Utah will allow me, I desire to ask the chairman of the Committee on Banking and Currency a question. In reference to the tremendous loans, which appear on paper, to the agricultural districts, South and West, East and North, I desire to ask, Has the Senator from Connecticut any way of ascertaining how much of these so-called loans are bond accounts, transferred to commercial accounts and rated now, in contradiction of promises, as commercial accounts, when they are really loans for the purchase of bonds?

To illustrate, this occurred in my State: A man was approached by a banker and asked to buy a \$1,000 bond. He replied, "I have only a \$2,000 credit with your bank to run my

farm, and if I take this \$1,000 bond—and you say you will carry 90 per cent of it—it will be charged against my commercial account." The banker said, "Oh, no; this loan will stand on its own bottom; this bond will be a distinct loan and will take care of itself." When the spring opened and the farmer went to open his account the rate of interest on the bond, in moneys that he might draw, was increased beyond the rate that the bond bore, and it was charged to his commercial account. That, I am informed by bankers, was universal all over this country. The volume of seeming loans to our agricultural interests consists merely in the conversion of the indebtedness of the people who, buying beyond their means under the promise that the loans would be carried as special bond loans, find them now converted into commercial loans, which are charged against their commercial account, thereby stagnating everything.

Mr. McLEAN. Mr. President, if the Senator from Utah [Mr. SMOOT] will pardon me, the question of the Senator from South Carolina [Mr. SMITH] is one which would have to be answered by the members of the Federal Reserve Board. Of course, whatever has been done, has been done according to law. The Senator from South Carolina does not dispute that. The pending joint resolution does not undertake to change the law. I might reply to the Senator from South Carolina by again quoting Gov. Harding's testimony before the committee. He said that there were cotton growers in the South who were trying to get accommodation from the banks to hold cotton that was grown in 1917 in order to peg the price of that cotton until they could sell it for a profit. Probably that is one of the reasons why the members of the Federal Reserve Board have been trying to conserve the resources of the Federal Reserve System and to direct them to the accommodation of the legitimate commercial needs of the country.

Mr. SMITH of South Carolina. I will say to the Senator from Connecticut, if the Senator from Utah will permit me—

Mr. McLEAN. If the Senator will pardon me one moment, I think this question is one which has to be faced in a courageous way. My sympathies are entirely with the purposes of the joint resolution, but I am not in favor of enacting legislation which is purely deceptive. I think we had better tell the whole truth about the situation and not try to fool the farmers. If the chairman of the Committee on Agriculture and Forestry or the Senator from South Carolina can point out that section 2 of the joint resolution will provide a single additional dollar for the accommodation of farmers seeking credit, I will withdraw my objection. That can not be done under the section. The officials are left to administer this section according to law, and it is absurd to direct them to do everything that is necessary to provide the farmers of the country with money at the lowest possible rate of interest when we know it is an impossibility.

Mr. SMITH of South Carolina. Why is it an impossibility?

Mr. McLEAN. Because we have not the reserves.

Mr. SMITH of South Carolina. The Comptroller of the Currency, in a public statement which I have in my pocket, which he issued some time in October, officially declared that there was enough gold reserve held by the Federal Reserve System to issue \$2,000,000,000 more of circulating notes than were then outstanding, and that was in the midst of the deflation period.

Mr. McLEAN. I want to tell the Senator that the reserves in some of the Federal reserve banks are now below the legal requirement and that the average is close to the legal requirement.

Mr. SMITH of South Carolina. Yes; and if the deflation and destruction of prices go on—and we have changed the basis of our credit to where it is largely a commodity basis—we shall not have any reserve in any of them.

Mr. SMOOT. Now, Mr. President—

Mr. POMERENE. Will the Senator allow me to make a suggestion?

Mr. SMOOT. Yes; I will yield to the Senator.

Mr. POMERENE. I realize that the Federal Reserve Board has had very serious difficulty in determining what should be the discount rate, and we must not forget while we are trying to serve a certain clientele that it is the course they have taken which has kept our financial system safe, and which can differentiate it from some of the financial systems of Europe. Let me suggest to our friends who are seeking to serve certain localities—and I sympathize with them; I realize the difficulties under which they are laboring—that existing conditions do not affect the agricultural interests any more than they affect the manufacturing or commercial interests. More than that, let me make the suggestion that it is not the rate of discount which the Federal reserve bank may decide to be the proper rate of discount that is going to control the rate of interest

which is charged to their customers by the banks of the several States. In the State of Ohio, for instance, the legal rate is 6 per cent; the contractual rate may be 8 per cent; in many of the States the legal rate is 10 per cent; and if we have a discount rate of, let us say, 5 or 6 per cent, who is to get the difference? Will the customer get it or will the local bank get it?

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, I can state that in 1914 and 1915 and a part of 1916, I believe, a preferential rate was given agricultural products, and that the banks themselves allowed a lower rate for the benefit of the farmers. There may be some instances where that was not so. The Senator from Ohio knows that the higher the rediscount rate necessarily the nearer will it be to the legal rate in a given State; the margin between the two will grow smaller.

Mr. GLASS. Mr. President, apropos of what the Senator from Ohio has just said, the major provocative for raising the rate of rediscount by the Federal Reserve Board and the Federal reserve banks was the fact that there were thousands of banks in this country located in the States in which the rate of interest was high which were almost subsisting by the profits they made out of rediscounts. They were getting money from the Federal reserve banks at 5, 5½, and 6 per cent and loaning it to their customers at 10 and 12 per cent. Thus the system placed a premium on rediscounting rather than responding to the commercial requirements of the country.

Mr. SMITH of Georgia. Are not the national banks limited to 8 per cent in connection with the interest charge to their customers?

Mr. GLASS. There is a considerable money-making profit in the difference between 5½ or 6 per cent and 8 per cent, if the volume of transactions be large enough.

Mr. SMOOT. Mr. President, I do not know where I left off when I was interrupted half an hour ago, but I was answering, I think, a question asked me by the Senator from Idaho [Mr. BORAH]. I had made the statement that the western banks held deposits in the banks of New York for the purpose of issuing drafts against their accounts and meeting the requirements of their customers in connection with the purchase of goods in all parts of the United States. I know the Deseret National Bank, of Salt Lake City, a member bank, keeps a deposit in New York all the time. I know they have never loaned on time a single dollar of the money deposited in New York, and I know that they have never speculated in a commodity or stock from the time that they were organized up to the present day. They do, however, as I have said, keep a deposit in New York for the accommodation of their customers and to facilitate their own business. They also draw interest upon their daily balance.

Mr. GLASS. I hope the Senator did not understand me to deny that proposition. I said they are not legally obliged to keep deposits there.

Mr. SMOOT. Nor did I say that they were; I have never intimated such a thing. I said that they kept deposits there because they could draw 2 per cent or 2½ per cent on their daily balances and because they desired deposits there for the accommodation of their customers.

I know, Mr. President, that there has been a great deal of money made by the little banks by the rediscounting of paper, getting money from the Federal reserve bank in the district in which they are located and then lending the money just as the Senator from Ohio [Mr. POMERENE] has said they have done; but there are many of the banks, I believe, that have not followed that practice. I know the bank in Provo, of which I am president, has never discounted a cent of paper from the day that it was organized down to the present time. It has never asked assistance of another bank, and I hope and trust that it never will be compelled to.

However, what I desired to do was to call the attention of the Senate to the absurdity of section 2 of the joint resolution. I do not want the farmers of the country to think for a moment that section 2 places one dollar more at their command than is at their command to-day. Why is that section of the bill here? I think it would be better for the Senate of the United States to strike it out. Let us say what we want; that is, to rehabilitate the War Finance Corporation, and when it is rehabilitated to employ \$500,000,000 of capital stock. Section 12 of the act creating the corporation gives them the power of making loans, as I remember, to the extent of six times the amount of the capital stock, or \$3,000,000,000. Let us not deceive ourselves. How much money are we going to advance and how are we going to get it? There is only one way to get it, and that is to sell bonds, as provided by the law.

I am not saying this in opposition to the measure at all. If a Senator can show me what section 2 will do toward assisting the agricultural interests of the United States I will admit that I was wrong. But there is nothing in it, Senators.

Mr. SMITH of Georgia. Mr. President, I have suggested adding in the seventh line, after the word "agricultural," the words "and other products," so that it will read "the financing of the exportation of agricultural and other products."

Mr. SMOOT. That is right. Everybody must admit that that is right. Why should we direct an agency of the Government of the United States, organized for the purpose of assisting the exportation of all kinds of goods, that it shall from now on grant assistance to one class? We want to be fair to ourselves. We want to do such things that at least the American people can point to us and say that we are using good judgment.

Mr. SMITH of South Carolina. Mr. President, of course the chairman of the Agricultural Committee is here, and other members of the committee, but I want to say, in justification of myself as a member of the committee and as one helping to report out this joint resolution, that it was the opinion of the committee as expressed in my hearing that the law was such that if the War Finance Corporation were rehabilitated they already had power to look after these other industries; but, on account of the fact that agriculture and cotton were suffering more than anything else by the very nature of the case, since they are not organized and have no reserve capital like our corporate interests in this country have, we just attempted to emphasize here the needs of agriculture, though not to the detriment of the others. Of course the War Finance Corporation will operate for the aid of others, but we drew particular attention to the distressing condition of agriculture.

Mr. SMOOT. Mr. President, I would have voted for section 1 of the measure just as it is, because if the War Finance Corporation is rehabilitated I know what it will undertake to do, but we are not going to get any more money from section 2, and if we rehabilitate the War Finance Corporation with its \$500,000,000 of capital, and section 12 of the law, authorizing the sale of bonds to six times that amount, or \$3,000,000,000, that ought to take care not only of the agricultural interests of the country but of every other interest. I want to say that if we can not take care of the country on that basis the country will not be taken care of, because more bonds than that can not be sold in this market. In fact, it would be an impossibility to place that amount. So why load down a measure with a provision that is so inconsistent, that means nothing to the industries of the country, and that means nothing to the farmer in the way of assistance?

I think it is the part of wisdom for the Senate to strike out that section, and I think the joint resolution would have a far better chance of passing in the other body, the House of Representatives, if that were stricken out, because when it goes to the House it may be the means of holding it up for discussion for a long, long time. What is wanted is immediate relief. Time is of the essence of this thing. There is suffering at this very moment, not only on the part of the producer, but on the part of the banks that are loaning and have loaned the producer money.

It is impossible for the stock men of the West to borrow more money. How are they going to get feed for their cattle this winter? How are they going to take their sheep from the summer range to the winter range, and provide for carrying them through the winter, unless they get immediate relief? Senators, let us not put anything in this joint resolution that is going to take time by bringing on discussion.

Mr. GRONNA. Mr. President, does the Senator understand that the provisions of the War Finance Corporation act mean that that corporation can deal with anyone except banks—that it can deal with any individual in the way of furnishing him money?

Mr. SMOOT. I have the act here, and I will read it.

Mr. GRONNA. Is it not true that through the general course of business the money will be placed with the banks?

Mr. SMOOT. Why, Mr. President, of course anybody that gets a salary, or that borrows a dollar from any source, as a general thing deposits the money in a bank.

Mr. GRONNA. I mean the transactions will be made through the banks.

Mr. SMOOT. Why, certainly; unquestionably.

Mr. GRONNA. Then, I ask the Senator from Utah, and also the Senator from Connecticut, why is it so absurd to call the attention of the banks that get this money to the requirement of the law that they shall loan to these people at a liberal rate of discount? The Senator must not overlook the fact that the Committee on Agriculture and Forestry has held extensive

bearings; and if he will refer to page 53 he will find, in the statement of the governor of the Federal Reserve Board, that he calls attention to the fact that since January 27, 1920, when the word went out raising the rate of discount, the loans have decreased. Now, what difference does it make whether you have the banks full of money or not if the public are not going to get the money? Does that help the farmer, I will ask the Senator from Utah?

Mr. SMOOT. The Senator from North Dakota is a banker himself; and I will ask him if a farmer at the present time made application to his bank and the bank's reserves were as low as it was safe for them to be whether he would make the loan?

Mr. GRONNA. I shall be very glad to answer the Senator. I have never dealt with the Federal Reserve Board; I have never had a dollar from the Federal reserve banks; I have never rediscounted with them.

Mr. SMOOT. Neither have I.

Mr. GRONNA. But if I could have the advantage and the benefit of this particular law, I could extend that benefit to the farmer, and I could not do it in any other way.

Mr. SMOOT. Mr. President, the Senator is a banker, and he knows that if he will take up the bank statements that were issued last month he will find that nearly every bank in the United States is loaned to the very limit of safety. They are not going to take any chances of loaning below the amounts the law requires that they shall hold on hand against their deposits. If they do, those who know the banking business know what will happen to them. Therefore I say to the Senator that the money that will come from the sale of these bonds ultimately will find its way into circulation. That is the object of it. That is what it is for. If it is not going to do that, then let us not pass the resolution.

Mr. GRONNA. Does not the Senator from Utah overlook one important fact? In the amended law of March 3, 1919, the War Finance Corporation is permitted to do foreign business to the extent of a billion dollars. That is the way the Senator understands the law, is it not?

Mr. SMOOT. Does the Senator from North Dakota mean the Edge law?

Mr. GRONNA. No; I mean this law, the War Finance Corporation law.

Mr. SMOOT. Yes; as I remember it.

Mr. GRONNA. I know that one citizen who was a member of the War Finance Corporation intended that we should extend our business with foreign nations. We do not depend for that extension entirely upon the sale of bonds. We want to sell our products, and the only way we can dispose of them is to seek a market in foreign lands.

Mr. SMOOT. Mr. President, we do not need any legislation for that purpose.

Mr. GRONNA. I will say to the Senator that this legislation will remedy that.

Mr. SMOOT. Why, yes; because of the very fact that we have to advance the money in order to do it; that is all. The Senator knows that Germany has not the money now to buy the wheat of this country, or the wool of this country, or the cotton of this country. We might just as well understand it as not. The people of Germany have not got it; and if they are going to buy these products they will have to get credit or advances in order to do so.

Mr. GRONNA. I agree with the Senator.

Mr. SMOOT. I want to say to the Senator that when the revenue bill was under discussion we were asked here upon the floor of the Senate time and time again how much money our Government was going to loan to foreign countries and when we were going to stop such loans. I answered the question as briefly as I could by saying that I did not know how much it would be, but it would be equivalent to the amount of the balance of trade between the two countries. England did not have the money; France did not have the money; the money was not in the world to pay such trade balances, and we would simply have to loan them the amount of the difference between the trade of the United States and the trade of those countries; and that is what we did.

Mr. GRONNA. The Senator from Utah and I do not really disagree on the questions that are fundamental; and if the Senator will pardon me for digressing a little from the real question that he is discussing, I think what I am about to say is pertinent to this discussion. If the Allies do not have the money necessary to set up this vanquished nation in business—I do not know that they intend to do it, but I am going to state my own views with reference to that matter. If I owe the Senator from Utah a large sum of money, he is too good a business man to tie my hands and my feet and prevent me

from earning a dollar. If the Allies of Europe want money or credit for the people of that nation, it is their business to make the arrangements that will make it possible for this Government to extend credit, which it can do, I will say to the Senator, without the use of any money. We can extend our credit by selling our products to the people of that country, and nobody knows it better than the Senator from Utah; and that would be a business proposition.

If the Allies are in earnest and really intend to give the people of Germany a chance to make good in paying their debts to the Allies, and if unable to extend credit to Germany, then they should make it possible for us to extend credit, because we are able to do so; but before we can consider such a proposition we must know absolutely that the securities are good.

Mr. SMOOT. That would be all right if the producer would furnish the credit to the foreign countries; but the producer has to have the money, and somebody has to pay him the money, and somebody has to extend the credit to the foreign nations, and that is what the War Finance Corporation is going to do if anything comes from this legislation. Why, we can not lift ourselves up by the straps of our boots. We can not extend credits to foreign countries, and with the same money and at the same time pay the producer for the goods that are shipped to the foreign countries. That is impossible.

Mr. GRONNA. I think we all agree on that. If the Senator will pardon me for interrupting him, I want to read to him just a short paragraph from the statement made by the governor of the Federal Reserve Board. What does he say? After giving the various amounts which have been loaned and stating how the loans have been extended, he says:

It is evident that any continuation of such a rate of increase as that would soon exhaust the resources of any banking system, no matter how strong. However, from the 27th of January, 1920—

I said 1919 a moment ago; I should have said 1920—

when Federal reserve bank discount rates were advanced, until the present time there has been only a moderate increase in the invested assets of the Federal reserve banks, but a substantial increase in the volume of Federal reserve notes outstanding, and while the angle of ascending credit during the period September 19, 1919, to January 27, 1920, was 45 degrees, the angle since the 27th of January has been but about 2 degrees.

What does that mean? It means that at the very time the farmer is ready to garner his crop and dispose of his crop there is a deflation; there is an absolute stop to the using of the resources. How is he to get along with that sort of a condition?

You force the farmer's product upon the market immediately, and what does it mean? It means that he must dispose of it at any price he can possibly get.

Mr. SMOOT. We have gone far afield, Mr. President, from what I rose to discuss, and I do not think it is necessary for me to take any more time of the Senate.

I am just as much interested in this legislation as the Senator from North Dakota [Mr. GRONNA] is interested in it. I know the situation of the farmers in this country just as well as he. I know the situation not only of the farmer but of the stock raiser, and of nearly every interest in the United States. We are having now hundreds of men knocking at the doors of the Finance Committee asking that all the losses for 1919 be credited upon their tax account for 1920.

I know, Mr. President, there are very few institutions of this country which are going to come out even this year when depreciation of the value of their holdings are considered, very few of them; and when we had the excess-profits tax under discussion on this floor Senators will remember that I told them then that the profits which the invoices showed were in bricks and mortar and machinery, which at some day or other would not be worth 10 cents on the dollar, and we find that to be the case to-day. When everything was advancing—all manufactured goods, all products, everything that was sold by the merchant—most anyone could have shown a profit in his business if he had taken his invoice at the increasing prices. The advances were enough to show an immense profit every time he took stock. And he took his stock that way, and he paid his taxes upon it, and it seems strange to me that men could not see what was coming.

I was in hopes after the signing of the armistice that reconstruction would be begun at once and gradually reach to the point where business would be upon a sound basis again. But no; the business men of the country did not take action looking to that end. They held up the prices just as long as it was possible. They kept up those extremely high prices and compelled the people to pay them, and now, Mr. President, the slump has come, and prices have been declining so fast that it has almost destroyed business.

So, Mr. President, all I want the Senate to do is to pass legislation which will pass the House as soon as possible to meet the situation, and section 1 will do it without any section 2.

Let us at least be consistent, and let us strike out section 2 of this joint resolution, and then let it pass.

Mr. HARRISON. Mr. President, I did not expect to say anything touching this measure, but I do not like to be indicted for doing such an absurd thing as the Senator from Utah [Mr. Smoot] seems to think the Agricultural Committee has done in incorporating section 2 in this joint resolution.

If section 2 is absurd, section 1 is absurd. Neither of these sections amends the law or changes the law in the slightest. Both of the sections contain merely an expression of opinion, an expression of desire upon the part of the Congress as to what should be done.

Let us see the absurdity which the Senator from Utah says is incorporated in section 2. If we are guilty of doing an absurd thing, I want to call the Senator's attention to the fact that about 30 governors from every part of the United States have not agreed with him. They did not think it an absurd thing. There was a conference of governors from various sections of the country, and one of the recommendations they unanimously agreed upon was to ask the Federal Reserve Board to do that which section 2 requests shall be done by the board.

Mr. NORRIS. Mr. President—

Mr. HARRISON. And I noticed that the present governor of the great State of Utah was there in person, and that the incoming, the next governor of the great State of Utah was there also. I yield to the Senator from Nebraska.

Mr. NORRIS. The Senator has just said what I was going to call his attention to.

Mr. SMOOT. I think the governors wanted legislation in order to assist the agricultural interests of the United States, as well as the others, but I do not think any one of them read section 2. I do not think they ever read a line of it.

Mr. McLEAN. I would like to ask the Senator from Mississippi if he has a copy of the resolutions as adopted by the governors?

Mr. HARRISON. Yes; I have a copy of them, and I will read it for the edification of the Senator from Utah.

Mr. McLEAN. I have read it, and I know that the principal resolution is that Congress pass finance legislation of some sort, or words to that effect.

Mr. HARRISON. I will read the part in which they asked that the War Finance Corporation be revived, and other relief. The resolution provided:

Let the Federal Government create a finance corporation of some sort—

And so forth.

The Federal Reserve Board should be urged and authorized to advise all banks to adopt a liberal policy of renewals.

Mr. SMOOT. That is entirely a different proposition.

Mr. HARRISON. That is practically what section 2 does.

Mr. SMOOT. That is, the Federal Reserve Board was to do that.

Mr. HARRISON. The Federal Reserve Board.

Mr. SMOOT. Yes.

Mr. HARRISON. That is what we are asking them to do in this resolution. I am afraid the Senator from Utah did not read section 2.

Mr. SMOOT. Oh, yes; I did.

Mr. HARRISON. He always reads everything. I am surprised he did not read it.

Mr. SMOOT. I have read it to-day.

Mr. HARRISON. Section 2 provides:

That the Federal Reserve Board is hereby directed to take such action as may be necessary to permit the member banks of the Federal Reserve System, in accordance with law * * * to grant liberal extensions of credit to the farmers of the country—

Mr. SMOOT. Oh, no.

Mr. HARRISON. I will get back to the other proposition. That is what the Senator objected to most vociferously. It continues:

To grant liberal extensions of credit to the farmers of the country upon the security of the agricultural products now held by them—

And so forth. I left out this one proposition just after "in accordance with law," "and consistent with sound banking." The Senator from Utah objects to the words "and consistent with sound banking."

The Committee on Agriculture thought that by incorporating that provision we were clothing it with some conservatism; we really pointed out to the Federal Reserve Board that in extending this liberal credit to the farmers of the country, while they must follow the law, they must also do nothing inconsistent with sound banking. So if we should adopt a motion that might be made by the Senator from Utah to strike out "consistent with sound banking," we would be putting the

United States Senate on record as being against the provision of the law which said to act "consistent with sound banking."

We merely call to the attention of the Federal Reserve Board that in making credits they should follow a liberal policy, and that they should charge as low a rate of interest as is possible "in accordance with law and consistent with sound banking."

It may be that the Federal Reserve Board can not loan any more money because their reserves are not large enough.

Mr. McLEAN. Mr. President, right there—

Mr. HARRISON. If they can not do that, then it does not say that they shall do it, because it expressly provides that they can do nothing that is not consistent with sound banking or in accordance with the law.

Mr. McLEAN. Mr. President, may I interrupt the Senator to ask him a question?

Mr. HARRISON. Certainly.

Mr. McLEAN. Section 2 provides that they shall do all that is necessary to enable the member banks to accommodate the farmers. The Senator has just said that they may find that this can not be done.

Mr. HARRISON. Yes.

Mr. McLEAN. Would it not be better to use the word "possible" instead of "necessary," then?

Mr. HARRISON. I do not know that I would have any objection.

Mr. McLEAN. Do you want to compel them to do a thing which they can not do?

Mr. HARRISON. The Senator from Connecticut [Mr. McLEAN] and the Senator from Utah [Mr. Smoot] know that what we are doing here is that which the Senate of the United States should not be called upon to do.

Mr. SMOOT. Yes; that is right.

Mr. HARRISON. I do not care if the Secretary of the Treasury is a Democrat—and I have very high regard for him; I think he is a splendid man—on this proposition I differ with him, I differ with him absolutely, because I believe that the War Finance Corporation should be revived, and that liberal credits should be extended to the agricultural interests of the country in this very unusual and deplorable situation. The Congress of the United States four months after war was ended thought the War Finance Corporation should be continued, and adopted an amendment to keep it functioning. It should be functioning now, and should not have been closed by the order of the Secretary.

Section 2 does not change any law; it merely expresses an opinion of the Congress of the United States. Section 1 does the same thing—changes no law, adds nothing to the law, but merely expresses an opinion of the Congress of the United States that this War Finance Corporation should be revived.

I asked the Secretary of the Treasury while he was on the stand, "What if a majority of the Congress should differ with you as to the advisability of reviving the War Finance Corporation? How could we get it started and going?"

He said, "By passing a resolution directing me to do it."

So we are merely following the suggestion of the Secretary of the Treasury, and I believe that both of these sections should remain in the bill. It might give some relief to the great agricultural interests of the country. I am opposed to striking out section 2. I do not believe it is an absurd proposition. I believe when the Federal reserve banks make sixty or seventy millions of dollars a year it is possible for them to reduce their rate of interest so that some of the people can be taken care of who need to be taken care of. I am opposed, Mr. President, to the amendment suggested by the Senator from Georgia [Mr. SMITH]; that is, that other products should be added in this resolution. I believe in facing this proposition in a courageous way.

What do we want here? The War Finance Corporation under the law to-day could make loans, if it were functioning, to the manufacturing interests, as well as to the agricultural interests. It could assist every interest in the country.

By passing this joint resolution, and specifically pointing out the agricultural interests, it does not prevent the War Finance Corporation, if it should be revived, from continuing to loan to other interests in the country for export; not at all. But we know that when depression comes, the first interest to feel the depression is agriculture. That is the breaking point, and they have felt it for months—yea; for almost a year. Twelve months ago the things they produced they could sell at a reasonable price; and those necessities they needed, they cost highly, yet they survived because of the prices they received for their products. But to-day the prices of the farmers' products is reduced about fourfold, while for the things he buys he is compelled to pay approximately the same. Cotton in my

country has been reduced from a dollar a pound to 18 cents a pound, and certain grades of cotton can not be sold at all. The price of wheat to the farmers in the West has been greatly reduced, but the things they buy have not been proportionately reduced. Oh, just a little bit it may be, but not much. I think they will come down after Christmas, but the retailers are holding on just as long as they can. The crash is bound to come, but up until this good hour there has been no such depreciation in the things that the farmer has bought as has been in the things he produced and has had to sell.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 3944) to create a Federal live-stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes.

Mr. GRONNA. I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. GRONNA. I ask that the Senate proceed with the consideration of Senate joint resolution 212.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from Mississippi will proceed.

Mr. HARRISON. Now, some Senator said that the value of exports has increased during all this time and gave figures to bear out that statement. That may be true, but I know that one product in bales for export has not increased. I read the testimony of Mr. Meyer. Mr. Meyer, on page 14 of the hearings, says this, and I merely cite this to show that while the value of exports may show an increase and may show large, when you take certain products and give the volume, it does not show an increase. Mr. Meyer says:

Whatever the figures, in dollars may be, the amounts are what interest the producer. The farmer does not produce dollar exports; he produces bales of cotton and bushels of wheat and products measured in pounds and tons. You may be misled by the dollar value of exports, and you may be misled on the total figures. The statisticians say that the volume is 25 per cent in excess of what it used to be before the war. But I have made a little compilation of the cotton situation, simply as an index. The exports from September 4 to November 27, 1920, were 1,481,450 bales—about the same as last year up to date. These 1,481,450 bales compare with the last prewar year, 1913, for the same period, when the amount was 3,837,139 bales, and the year before that it was 3,808,429 bales, and the year before that it was 3,710,514 bales.

And so on down the line, showing that we are not exporting within 2,000,000 bales of cotton of what we were before the war, and we are now trying to revive the War Finance Corporation so that it will help in the exportation of this and other commodities.

I am against adding other products, because we know that the basis of prosperity in this country is agriculture, and it is agriculture that needs help right now. They must have help now. They are laying their plans for their future crops, and they need to be financed. Mr. Meyer, in his testimony, said this when the War Finance Corporation closed. I asked the question of the Secretary of the Treasury if it should be revived whether he could show any preference in making loans, and he took the view that they could not. I think he is wrong. I think the board could say what loans they ought to make, but he takes a different view of it; and so we would be placed in the attitude, unless it is specified and pointed out to the War Finance Corporation that we wanted the agricultural interests taken care of, that they might make all these loans to some one else and aid other industries and not aid this that we think is vital and necessary at this time.

Here is what Mr. Meyer said:

Under more or less similar arrangements the War Finance Corporation financed the export of \$12,000,000 of wheat to Belgium and \$5,000,000 of condensed milk to various countries in Europe. At the time that it was requested by the Secretary to suspend financing exports it had applications involving the export of \$17,500,000 of copper—

That was not financed, because the War Finance Corporation closed—

\$2,200,000 fabricated steel to Italy; \$5,000,000 "Black Patch" tobacco from Tennessee and Kentucky; \$4,000,000 cotton to Czechoslovakia for a large southern exporter; \$25,000,000 cotton to Czechoslovakia for a group of southern bankers; \$3,000,000 for cotton to Italy by a group of bankers; \$9,000,000 by a group of bankers for export of cotton to Italy; \$24,000,000 for the export of cotton by a syndicate of banks headed by one of the largest national banks in the United States; \$2,400,000 by a group of bankers for coal to Italy; \$4,000,000 by a group of bankers for cotton to Italy; \$4,000,000 for ships to be bought or constructed in this country for Italy—in all, \$100,000,000 in applications promising practical results with adequate security, according to the opinion of the directors of the War Finance Corporation.

He said that the reason these loans had not been made to carry on the agricultural exports was because it was a slower process to get the loan arranged for them than for the others. So it is merely as a protection to this great interest upon which the prosperity of the country is based, namely, agriculture, that I think it should be pointed out specifically in the resolution to be taken up, and that in no way will it affect the board in making loans to other interests in the country. The effect of the passage of this resolution will be good. It should help the situation. The least we should do is to pass it, and do it now. That is all I desire to say.

Mr. McCUMBER. Mr. President, I wish to call attention to some imports of grain into the country during the last month. I first wish to call attention to the fact that during the whole year of 1919 we imported 5,405,405 bushels of wheat. Now, that was a whole year's importation. In October of 1920, in a single month, we imported 10,517,528 bushels. A telephone message to the Department of Agriculture brings the response that in all probability the November importations will be at least 12,000,000 bushels. Thus, in a single month of 1920 we have imported twice as many bushels into the country as we imported in the 12 months constituting 1919.

Now, Mr. President, I am going to support by my vote the joint resolution introduced and which is in charge of my colleague. I am not certain that it will produce all that we would like to secure, but I do believe that it will be helpful in giving encouragement and confidence to the export business, and it may help us to export a few of the bushels of grain that we are now importing.

But why not apply an effective remedy? If a merchant finds that he can not sell half of his stock of goods that he now has on hand, he quits buying. Do Senators know of any reason why, when a Government finds that it has more goods than it can use in the United States and is attempting to find some place to sell them, that it should not also quit buying? Why should we be buying Canadian wheat at the rate of 10,000,000 to 12,000,000 bushels a month and at the same time be seeking for some method by which we can export not only that many bushels but in addition export our own surplus?

In other words, while we acknowledge that we have a surplus in the United States which must be exported, we are still allowing that surplus to be increased at the rate of 10,000,000 to 12,000,000 bushels per month.

I know a great many Senators are fearful of the word "embargo," but there has not come a single resolution from one of the commercial bodies of my State asking for relief which has not asked that an embargo be placed upon the importation of these articles. They seem to think that the President of the United States has the power under present law to declare an embargo. I do not think he has, I will say candidly. I do not know of any power that is imposed upon the President to apply an embargo restriction except in that contained in the anti-dumping law. In order to constitute dumping into the country it must be established that the product is being sold from the importing country for export cheaper than it is sold to its own citizens. I do not understand that that is the case in Canada.

Therefore I do not think, under the present law, that we could apply any embargo restrictions. But we can make the law. We can do it in a very few minutes if we see fit. We could pass it through the Senate if we saw fit. We could stop this enormous importation of wheat into the United States. There is a bill now before the Finance Committee or the Committee on Agriculture and Forestry asking that such embargo be placed for one year; of course, for a less time if we finally get a tariff bill that will prevent the excessive importation. That is reaching the situation right where it is. The trouble is we have too much grain in the United States for home consumption and we are adding to that trouble by increasing the number of bushels at the rate of about 10,000,000 to 12,000,000 per month.

Now, Mr. President, I hope we will get some benefit from the joint resolution under discussion. I have little faith, I admit, but I think there is an opportunity for it to do some good. I have tried to ascertain how we are going to get the money, because that, after all, is the real crux of the situation. We say "give credit to Germany and Austria." I hope we can do it. I hope we can take the obligations of those Governments and furnish them with the money, but where are we going to get the money? That is the question. If the banks have loaned to the limit of their ability on the basis of safety we can not get it from the banks.

We hope to sell bonds. The bonds, if they can not be bought by the banks, will have to be bought by the public, by the people generally; but if the banks have not got the money, the

people have not got the money, because what they have is in the banks as a rule. I do not think they will subscribe very liberally at the present time even for bonds to furnish money to buy these crops, though I hope they will. But what little it can do, if it is only a very little, ought to be done. Anything that we can do in relieving the situation ought to be done.

We ought to apply any remedy that we think will be in the slightest degree effective; but I again suggest that the most important remedy, a remedy that would be quickly effective and would show its effectiveness in an immediate response by way of an increased price of these products, would be to prevent their importation.

We can not get anything for our wool; wool is coming into the country in enormous quantities; and I am informed—and I believe credibly—that the Australian and New Zealand and Argentine wool crop is now ready to be thrown into the country in greater quantities than ever before. Now, I simply say that so long as we have enough wheat in the United States to supply the American people with flour for a full year, and then some to spare, I would stop the importation of wheat under the present exigencies. If we have wool enough in the United States to make all the clothes that we shall need for the next year—and I am informed that we have—I would stop the importations of wool until the farmers could get a price that would allow them at least to buy the cloth with which to clothe themselves.

The situation, Mr. President, is a most serious one, and I have not as yet heard of any remedy which I think will be adequate to meet it. The remedy of an embargo would be more valuable than any other possible remedy at the present time. If we can not get that, I shall cheerfully vote for the pending joint resolution, from which we hope to secure at least some benefit.

Mr. HARRIS. I offer an amendment to the joint resolution, which I send to the desk.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The Senator from Georgia offers an amendment, which will be stated.

The READING CLERK. On page 2, section 2, line 16, it is proposed to strike out the words "the lowest possible rate of interest" and to insert "not exceeding 6 per cent per annum."

Mr. HARRIS. I will ask the Secretary to read the section as it would stand with the amendment which I have proposed inserted.

The PRESIDING OFFICER. The Secretary will read as requested.

The READING CLERK. As proposed to be amended, the section would read:

SEC. 2. That the Federal Reserve Board is hereby directed to take such action as may be necessary to permit the member banks of the Federal Reserve System, in accordance with law and consistent with sound banking, to grant liberal extensions of credit to the farmers of the country upon the security of the agricultural products now held by them by permitting the rediscounting of such notes of extension at not exceeding 6 per cent per annum.

Mr. HARRIS. Mr. President, I desire to state that I should favor the rate of 5 per cent interest instead of 6, but I think the amendment I have offered will meet objections which have already been urged against section 2. In my State the legal rate of interest is 8 per cent and the discount rate of the Federal reserve bank is 7 per cent. Many of the smaller banks in my State are not willing to take the risk for the difference in the rate of interest. For that reason many of our farmers are not getting accommodations in carrying their crops which they otherwise would get if the rediscount rate were made lower.

The distressing financial condition in the agricultural sections of our country, especially in the South and West, can, in my judgment, be relieved to a great extent by the Federal reserve banks reducing their rediscount rate and by resumption of the activities of the War Finance Corporation. In Georgia, my home State, many farmers have been unable to borrow money and hold their cotton for prices anything like the cost of production, and are selling it to-day at less than half what it cost to produce. The rediscount rate charged by the Federal reserve banks is 7 per cent and the legal rate of interest in Georgia is 8 per cent. With unsettled conditions, many of the Georgia banks were unwilling to loan a large amount on cotton for a profit of only 1 per cent; they claim the risk is too great.

My amendment reduces the rediscount rate of the Federal reserve banks to not exceeding 6 per cent. I would gladly make it 5 per cent, but it would meet serious opposition in the Senate, and I hope the Federal reserve banks will not exceed that amount. If they make the rediscount rates to the banks at even 6 per cent, the banks of the South would loan to the farmers the necessary money to hold their cotton for prices that would enable them to sell at a price equal to the cost of

production, and aid the farmers in selling cotton to the European countries at a fair price. The world is in greater need of cotton than ever before. There is less cotton on hand to-day, considering the needs of the world for cotton goods, than ever before in our history. The Federal reserve banks were not organized to make money, but to meet conditions that exist at this time.

Mr. SMITH of South Carolina. Mr. President, I do not intend to take any great length of time of the Senate in discussing the pending joint resolution. I think a majority of the Senators present see the necessity for the action contemplated by the proposed legislation. The situation is such that no one can be dogmatic as to what has caused the present conditions, nor can be accurately forecast the future. There are, however, some causes which have contributed to the present unfortunate situation with which we are all acquainted and which we appreciate. There are certain forces that were not in operation heretofore, even before the war, which have tended to bring about a condition which the Federal Reserve Board and other authorities thought it was their duty to correct.

I do not read very well from manuscript; I should prefer to speak in reference to this matter just as I feel about it; but in order not to allow the feelings which I have on this subject to influence what I have to say, I shall now read from manuscript some observations in reference to the causes which have brought about existing conditions.

The condition that now obtains throughout the country is not the result alone of post-war forces; perhaps in a way it is brought about in a less degree by post-war forces than by certain other influences.

Our Federal Reserve System in 1914 supplanted our old banking and currency system. It perhaps became a workable plan, or, in other words, the machinery and the principle of the Federal Reserve System got into practicable operation about 1915. It was a radical departure from the old system in that it placed in the hands of the Government the control of the banking business of this country. This necessarily gave to the Federal Reserve Board and the officers of the regional banks almost unlimited power in the control of the currency of the country, so that whatever attitude they assumed toward finance and commerce was immediately and powerfully effective throughout the Nation and the world. On account of our almost unlimited resources available, geographical position, and the combination of other fortunate circumstances, together with this new and wonderful system of banking, the main feature of which system was its elasticity and its power to mobilize or capitalize the resources of the country, we easily and rapidly became the bankers of the world. Money, gold, and credits poured into this country from Europe especially, and elsewhere, during the war in exchange for our commodities and foreign securities for our credits. The result was an unusual demand for our commodities and unusual facilities for liquifying or cashing them. Prices rose in this country to unusual points, partly because of the unusual demand caused by the war, and partly because of our new system of banking.

After the armistice was declared it was natural to suppose that there would be a readjustment, but no one ever dreamed that we had first to paralyze commerce, bankrupt agriculture and all producing and commodity handling institutions, before we should again assume the sane and normal function of business. We seem to have acted on the principle the old farmer announced when in attempting to burn out the debris that had accumulated around an old wooden rail fence he burned up the fence. He consoled himself for his loss by saying that he had a nice clean place to build a new one.

There is no justification whatever for the present condition of affairs in this country. As I see it, the causes are so manifest that one need not be surprised that we are in the condition in which we find ourselves. The causes as I see them are these:

First. The power to expand or to operate the elasticity of our currency system necessarily carries with it the power to contract. Those Government officials clothed with this power have in their hands the fate of the commerce of this country. The influence that they exercise determines in a large degree the prosperity or the depression of our commercial and industrial life. The business men, the bankers, and the financiers of this country are more or less dependent upon it and, consequently, are influenced by the action and attitude of our Government officials in charge of our exchange system. When, therefore, it was announced and reiterated that the policy of our Federal Reserve System was to deflate the currency, to restrict credits, it naturally had an immediate effect upon everyone engaged in business. Under modern conditions the close and intimate relation of every kind and character of business and commerce makes it well-nigh impossible radically to affect one without

in greater or less degree affecting every other one likewise and in like manner. Consumer and producer are not in distinct classes, but each one is both. The producer of one article is the consumer of another, and so there is no line of cleavage between the two classes. The policy thus announced was vigorously put into operation. The banks were insistently required to call certain classes of loans and the rate of rediscount was made very high. In addition to this and apparently for the purpose of carrying out the same policy, the War Finance Corporation was discontinued. This corporation was created by Congress to meet the very condition that now exists, and the amendment adopted to the original act in the latter part of the last session had a similar object in view.

It appears from the testimony of Mr. Meyer before the hearing of the Agricultural Committee on Senate joint resolution 212 that—

There were being negotiated at the time of the discontinuance of the War Finance Corporation applications involving the export of \$17,500,000 of copper, \$2,200,000 fabricating steel to Italy, \$5,000,000 "Black Patch" tobacco from Tennessee and Kentucky, \$4,000,000 cotton to Czechoslovakia from a large southern exporter, \$25,000,000 of cotton to Czechoslovakia for a group of southern bankers, \$3,000,000 for cotton to Italy by a group of bankers, \$9,000,000 cotton by a group of bankers to Italy, \$24,000,000 for the export of cotton by a syndicate of bankers headed by one of the largest national banks in the United States, \$2,400,000 by a group of bankers for coal to Italy, \$4,000,000 by a group of bankers for cotton to Italy, \$4,000,000 for ships to be bought and constructed in this country for Italy. In all \$100,000,000 in applications, promising practical results, with adequate security according to the opinion of the directors of the Finance Corporation.

He says further in reference to the above:

These are not repetitions; they are separate applications. * * * In addition to these definite purposes various other negotiations are under way for further extensive loans, which, no doubt, would have materialized in large financing of exports of various kinds of American products.

Therefore it is not surprising that we find ourselves in the condition now prevalent.

Just let me take for a moment the situation as it is. There is not a Senator here who does not know that there is nothing half so sensitive as capital; money, cash, is the most timid of all the agencies used in commerce. Therefore, when by the act creating the Federal Reserve Board we made the financing of the country a Government function it goes without saying that the attitude of those having it in charge immediately affects every commercial and financial interest of the country. When the board announced its policy of contraction of credits and raised the rate of its discount, and then *pari passu* with that the War Finance Corporation was discontinued, notice was served on the public that the very center and source of the Nation's circulating medium was adverse to any further expansion of business, or at least were in favor of its contraction along such lines as they themselves deemed necessary.

With the announced policy of our banking governors to restrict credits, to deflate prices, and the chairman of the War Finance Corporation, the Secretary of the Treasury, arbitrarily discontinuing the operation of the War Finance Corporation, the whole business world was filled with apprehension, skepticism, and the effect is the condition under which we now find ourselves. It has been pointed out that during this period the credits extended have equaled to or exceeded the period of prosperity just preceding.

In the colloquy I had this morning with a number of Senators it was pointed out that in certain sections of the country credits are equal to or in excess of the credits during the period preceding deflation.

I wish to call the attention of the Senate to the fact that the trouble is our excessive bond issues. Under the law we made the bonds issued by the Government eligible to rediscount at the Federal reserve banks and to become the basis of the issuance of Federal reserve notes. At the time of the passage of that law there were less than a billion dollars of United States bonds outstanding; to-day there are approximately \$25,000,000,000 of bonds outstanding. Those who bought the bonds and received credit at the banks for carrying them were assured that they would not be charged up to the commercial accounts of those thus borrowing. Farmers, merchants, bankers, business men throughout the country took these bonds in the small banks on that assurance. Now the rate of rediscount on these bonds has been raised, and they have been transferred to the commercial accounts; and I am going to insist that the officials here give me a statement as to what per cent of the so-called loans extended to the agricultural centers of this country consists of transferring bonds to commercial accounts and what per cent consists of actual commercial credits granted for real commercial purposes.

It seems to be the policy of this Government at this time to be solicitous of and to take care of those who own bonds, while

the actual producing classes of the country, upon whom its prosperity depends, must be restricted in credit for fear of inflation of the currency through the extension of credit on the bonds. We ought fearlessly and bravely to meet that issue, and to take some action taking care of the bonds owned by those who bought them in good faith, and not have them placed against the commercial credits of this country. I understand that it has been the universal practice of the banks to transfer these bond credits to the commercial account.

I do not believe that we would have had any such condition as that now confronting us had the policy of those having these matters in charge been such as to inspire confidence rather than fear and apprehension. With practically all of the raw material of this country now at prices far below the cost of production, and some of them with no market at all, the future does not look very inviting. With the tremendous obligations of this Government to be met, and those who are to produce the material out of which the ultimate wealth of this country must come broken and bankrupt, the probabilities are that our deficit will be doubled and trebled rather than gradually diminished. The estimates of the income of the Government, based upon incomes and profits, will have to be revised; and if a sales tax should be imposed, with the purchasing power of the country at large practically destroyed, the expectations of those advocating such a tax also will be disappointing.

There has been criticism of the seeming tendency or of the actual fact of the country coming to Congress for relief in this situation. Why should it not, when by an act of Congress the control of the situation was made a Government function? I am not adversely criticizing the act of Congress that made the banking of the country practically a Government function. I consider the Federal reserve act one of the greatest pieces of constructive legislation ever passed, and I believe it is our hope now, if properly and wisely used. The world needs all the staple products that we can produce. It may not have the cash to pay, but surely the energies of these nations, the man power, the brain power, plus the material resources of the several nations, are adequate security for the extension of such credit as we may allow them to use our resources to our benefit.

The War Finance Corporation act was passed to enable us wisely and efficiently, broadly and impartially, to meet this very situation; to extend credit to our corporations upon adequate security, and to foreigners upon like security, without favoritism and without special interests being served.

As showing the attitude of the English Government with regard to this very problem, I quote from a news item to one of our news services in this country:

We have had the privilege of a confidential talk with a gentleman close to Lloyd-George and a participant in the councils of the Government, regarding the politico-commercial policy to be pursued. We report the interview substantially as follows:

"The British Government's confidential reports and figures show that other countries, previously among her best customers, are now crying for goods, and that these countries could absorb the entire maximum exportable production of the United Kingdom. Nevertheless, the dislocation of the natural relations of supply and demand has resulted in the building up of a great volume of surplus supplies in England which can not be moved. The official figures placed before the cabinet show that Great Britain is trading feebly, if at all, with nations of the white race aggregating 300,000,000 people. The Government can not run the risk of social unrest involved in a stoppage of industry and commerce. It is its first duty to assure the prosperity of its own people. It will, therefore, reopen trade with any part of the world where trade can be got, irrespective of protests.

"Conversations of an important character have taken place unofficially and informally between industrial leaders and members of the cabinet to consider concrete means for stabilizing particular industries which are threatened in the immediate future not only with severe curtailment but with actual closing down. Lack of purchasing power in foreign markets, adverse and fluctuating exchange, money stringency, exaggerated agitations against profiteering, and restriction of credit were adduced as factors which had undermined confidence."

I presume that in England the very same propaganda had been spread broadcast as in this country; that there was undue profiteering, and that there had to be a reduction of the existing currency.

Mr. KING. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER (Mr. Kirby in the chair). Does the Senator from South Carolina yield to the Senator from Utah?

Mr. SMITH of South Carolina. Yes.

Mr. KING. I hope I did not misunderstand the Senator. Does the Senator seek to convey the view that there has not been undue profiteering in the United States; that prices have not been maintained at too high a level?

Before the Senator answers that, may I suggest to him that contrary to what one might expect, when the armistice was signed, instead of prices going down gradually and steadily and persistently until they reached a proper level there was a

slight sagging and then a rise, and that rise continued until quite recently, as a result of which, it seems to me, the prices everywhere in commodities and perhaps in labor were entirely too high, and were abnormal. Does the Senator seek to convey the idea that there ought not to have been a reduction in commodity prices and in prices generally in the United States following the war?

Mr. SMITH of South Carolina. I answer the Senator by saying that I think the reduction in prices should have been governed by the law of supply and demand, and that it was no part of a governmental function to go out and state that prices must come down. That was for the business world to do. Especially was that unfortunate when the Government at that time had the machinery conveyed to it by law by which it could enforce radically, and as the result shows disastrously, its decrees.

Answering specifically the Senator's question about profiteering, I think there was and always will be profiteering, but I think that the cry against profiteering in this country was largely exaggerated. I will explain what I mean by saying that the little bootblack got 15 cents for shining a pair of shoes when heretofore he had gotten 5 cents; so that from the bootblack to the highest commercial interest there was a tremendous rise in the price, and a larger volume of currency was necessary to liquidate it. The very genius of the Federal Reserve System was that when there was a vast amount of commodities in this country there would be an adequate circulating medium to represent them, and not the old, rigid, inflexible rule of 1863. That would have enhanced values had it been allowed to operate as we who passed the law thought it would operate. That, in conjunction with war conditions, did inflate prices; but prices would have been deflated by the very course of trade without making the world believe that the Government had set its face against a further continuance, right or wrong, of these conditions; because, as I said before, you could not pick out certain businesses and refuse credit to them without destroying the whole commercial structure.

We have a law against cornering; we have a law against undue restraint of trade; and that was sufficient without the fear that was cast into the hearts of the world at large by the radical procedure of raising the rate of discount and denying credit, and creating the sentiment of fear and apprehension. I think the War Finance Corporation was one of the most splendidly conceived ideas, in that it supplemented the Federal Reserve System by looking after the kinds of paper, foreign and domestic, that might be received and discounted, and doing it impartially as a governmental function and an aid to corporations that otherwise might not be able to get it, enabling them to do business and create healthful competition.

Mr. KING. Mr. President, if the Senator will still pardon me—

The PRESIDING OFFICER. Does the Senator from South Carolina further yield to the Senator from Utah?

Mr. SMITH of South Carolina. I do.

Mr. KING. I venture to suggest to the Senator the fact that for months following the armistice, more particularly during the latter part of 1919 and the beginning of 1920, not only in both branches of Congress but throughout the United States, there was a persistent demand that prices should fall, and appeals were made to Congress for legislation that would call for a fall in prices. The Senator will recall that the President of the United States communicated with Congress, and suggested certain remedies which should be adopted for the purpose of bringing down prices to a proper level, and Congress was very much interested in that; and, as I recall, numerous hearings were ordered either in this branch or in the other branch for the purpose of determining what legislation should be enacted in order to bring prices down.

I do not think there has been any deflation. As a matter of fact, the Senator, I am sure, knows that the amount of paper rediscounted by the Federal reserve banks has been very much greater in 1920 than in 1919; and the Senator knows that hundreds of millions of dollars have gone into new enterprises—indeed, that the list of incorporations of new enterprises in 1920 has scarcely been exceeded in the history of the United States.

Mr. SMITH of South Carolina. Oh, Mr. President, I do not know that I shall accede to the statement that more loans have been extended and more paper rediscounted. That is a proposition that it would take more time than I would care to consume this afternoon in going over, and in referring to this very bond proposition to which I have called the attention of the Senate. In my own time I am going to lay before the Congress the facts as to what per cent of the so-called loans extended consists in commercializing these bond loans, rather than in letting them stand on their own bottom.

This quotation continues:

It was brought out that a congestion of goods has blocked the flow of trade, and that the situation was so serious that some of the oldest and strongest merchandising firms in London will find it difficult to meet their obligations unless given relief. It was decided in the conferences that the clot of goods must be removed. The general solution proposed was to ship these goods to countries which have an exportable surplus of raw materials, but which require credit and organization such as can not be supplied adequately by private firms, but which could be dealt with if the Government enthusiastically assisted associations of business men. It was urged that the Treasury officials had assumed an obstructionary attitude toward the British export credit scheme. It was decided that this attitude must be changed at once. The crisis in all its phases was presented to Sir Robert Horne, president of the board of trade, who will set the pace for the other Government departments. The administration in liberal terms of money of credits already voted by Parliament for meeting exactly just such a position will be pushed forward without great delay. It is regarded as reproductive expenditure in the national interest, and bold policies on broad lines may be expected.

The last and closing paragraph of this seems to me should be the attitude of those who have the welfare of this country at heart. It is as follows:

The theory animating the whole process will be that a pound of sterling spent abroad in creating conditions to rehabilitate exchange of goods and to restore the economic balance of nations will be worth 10 pounds of sterling spent in the United Kingdom.

Mr. SIMMONS. From what was the Senator reading?

Mr. SMITH of South Carolina. I was reading from a communication sent to this country by one closely associated with Lloyd-George and the Parliament of Great Britain, showing the policy of that country in regard to the present crisis, which seems to be similar to that in this country.

Mr. President, whatever else may be said, this fact stands out paramount, that the attitude of our governmental officials has gone further than I believe it should go. They started an avalanche which they are unable to check, and Congress alone has the power to restore confidence to the American people, by showing that they are in sympathy with any move which will look toward aiding them in getting their exports abroad, and at least receiving the cost of production in this country.

Talk about there not being money! We financed a \$26,000,000,000 war in order to save our country from being ruined by the influx of an alien foe; yet, when the war is over, with our resources practically untouched, with our recuperative power unimpaired, with the development of our country still as potential as ever, we are confronted with the statement that we are powerless to even capitalize or even aid those who are not only to spell the prosperity of this country, but upon whom the prosperity of the world largely depends.

Wealth is not money; credit is an evidence of confidence, and real wealth is no more money than a biscuit is a gold dollar. We have destroyed the confidence of the people and of the commercial and the financial world, and what we should do here in this body is to give voice to the sentiment that to the fullest extremity this Government will come to the rescue of those who produce the raw material, who by the very nature of the case are the first to suffer.

We do not even retard the operation of a natural law by any artificial laws we may pass, and things will move along the line of least resistance in every department of the universe, and the first to feel the effects of these restrictions of credit and these demands that there be a contraction of the currency was the man who had no resources, but had the commodity which the other could realize out of, and the consequence has been that cattle and sheep and hogs, farm products in every form, have fallen below the cost of production, and the farmer left helpless and alone. We seem to have forgotten that he made his crop at the peak of prices, and that his only way to recoup is to get out of the sale of this present crop at least the cost of production. He has no other way to recoup himself. Every other business has some manner by which it can recoup its losses by sale; but the farmer, when he has made his crop, has in it the investment of the high-priced material that he made it with, and when he sells it at a loss, it is gone forever. It is for that class that I am standing here to-day and pleading, for the man whose crop is still to be sold, the man who is now obtaining a price that would not give him anything like the cost of production.

The second part of this joint resolution, as pointed out here by the Senator from Mississippi [Mr. HARRISON], was to call attention to the fact that the agricultural classes of this country, under the governmental function of the Federal Reserve Board, should be granted a lower rate of interest on properly executed agricultural paper than any other class of our commercial life, because upon them depends, in the last analysis, the ultimate success of every other business in this country.

I do not believe there should be a modification of section 2, but I would not object if the desire of those who wish it were

carried out; but, so far as the intent and purpose of it is concerned, it is as essential as section 1, to serve notice on the Federal Reserve Board that the people of this country recognize that agriculture is in a class to itself and more helpless than others, and that therefore they should have a preferential rate, in order to feed and clothe the masses of this country and aid in feeding and clothing the starving nations of Europe. I believe it would be a good business policy and a piece of good statesmanship if we should furnish them money to run their business without interest at all, because enough interest would be made out of the manufactured proceeds of what they produce to more than repay the country, and I hope, Mr. President, that both these provisions of this joint resolution will pass.

It is very easy for us to sit off at a long distance and talk about the farmer being independent, and talk about him taking along with other people his losses. There is not another business in America to-day, practically speaking, that is not organized to protect itself, except the farming classes of America. And whether you will have it so or not, Congress is the only organization the farmer can now look to for a fair and square deal in protecting him from the encroachments of organized power, and that is the reason these two amendments are here.

Mr. SIMMONS. Mr. President, I am pleased to note the strong expressions of approval on the part of Senators of the purpose of this resolution. Its passage will bring about what I, with certain other Senators, sought to accomplish last summer, and will, I hope and believe, help the farmers of the country to protect themselves in some measure at least against further losses from the condition it seeks to remedy.

I do not share the doubts entertained by some as to the effectiveness of the revival of the War Finance Corporation for the purposes expressed in the resolution as a means of mitigating the agricultural situation, nor do I share the apprehension likewise expressed that its revival will involve the withdrawal of large sums from the Treasury needed to meet the obligations of the Government. In support of these doubts and apprehensions it is said that the only fund that will be practically available to the corporation, if revived, is the \$375,000,000 now standing to its credit on the books of the Treasury, and as to this fund it is claimed that while its withdrawal for this purpose at the present time would be embarrassing to the Treasury the amount would be inadequate to accomplish any substantial relief.

It is also argued that the comparatively small amount loaned by this corporation during the war, when operating under its war powers, to banks on advances made by them to industries whose operations were necessary or contributory to the war shows it was not a potential factor in accomplishing its original purpose. Again, it is alleged that the even smaller amounts loaned by it to finance our exports under the amendment to the original act of March 3, 1919, was of little assistance in promoting and facilitating these exportations.

In my judgment, none of these several contentions are justified by the facts. Let me briefly review the situation with respect to these several matters:

When this Government-owned corporation was created the war industries it was intended to aid were having serious difficulty in getting advances, either from banks or from private investors, because they feared in the conditions then existing they would be unable to rediscount their paper.

But when this corporation was organized for the purpose of financing these very industries with the Government practically behind it, with a paid-in capital of \$500,000,000, all subscribed and owned by the Government, and with a potential loaning power of \$3,000,000,000, these apprehensions were removed, and the resulting confidence produced a situation with respect to credits which made resort to the War Finance Corporation unnecessary, and as a result of this psychological effect the corporation was called on but to a limited extent for help.

Again, shortly after the armistice, we were suddenly confronted by a serious situation in our foreign trade on account of the unsettled conditions in Europe. Exportations of our products to those countries was arrested because of the inability of the banks and private investors to extend the credit needed to enable these countries to buy our products. To meet this situation, on March 3, 1919, we amended the act creating this corporation, and it was authorized to extend credit to banks making loans to finance exportations. The psychological effect in this instance, as in the other instance I have just referred to, was the same. It inspired confidence in investment in securities based upon bank advances on exports and it was again found unnecessary to resort to the corporation for any great amount of credit.

The same thing happened shortly after the beginning of the European war, when, on account of the temporary embargo upon exportations of our agricultural products, the price of these products fell until there was practically no market for many of them. This was especially true with reference to cotton. There was practically no buyers on the market for it. Cotton fell to 5 cents. That meant there ceased to be a market for cotton in this country. That, of course, created a situation in the South both grave and menacing. To meet this emergency and avert this threatened disaster the Secretary of the Treasury, Mr. McAdoo, announced that he was prepared to deposit \$500,000,000 by way of deposit in the banks of the South and the West, if necessary, to protect the cotton and wheat growers, not to withhold these products from the market but hold them until there was a market for them. The effect of this action of Secretary McAdoo was electrical. Banks and the private investors came at once to the relief of the farmers, and, as I recall it, it was not necessary for the Secretary to deposit but a very limited amount—about fifty millions of the sum mentioned—for the purpose of protecting the farmers in these sections from threatened ruin.

Mr. President, until about the middle of May of this year, when the Secretary of the Treasury, Mr. Houston, suspended the operation of this corporation under the amendment of March 3, 1919, we were having no serious difficulty about financing our exports, and the business of the country was moving smoothly. Shortly after this corporation ceased to function business and credit conditions began gradually to become unsettled and unsatisfactory, and conditions grew rapidly worse when in September the Federal Reserve Board promulgated certain suggestions to reserve and member banks intended to bring about deflation and restrictions in credits. Mr. President, as a result of the present financial and credit situation the farmers are threatened with ruin largely because of financial and export conditions practically the same as existed at the time the adoption on March 3, 1919, of the amendment to the finance corporation when McAdoo came to their assistance in 1914. Early in September the Secretary of the Treasury was appealed to to revive this corporation that it might function in the emergency then so ominously threatening to bankrupt the farmers of the South.

It was urged in this behalf that the crops were just beginning to move and that it was of the utmost importance that the channels of foreign trade in these products should be kept open. At the same time a relaxation in the restrictions on credits was urged upon both the Secretary of the Treasury and the Reserve Board. Now, Mr. President, the farmers of the country believe that if the War Finance Corporation had then been rehabilitated and the stringent rules of credit had then been modified in behalf of loans made to enable them to have protected themselves temporarily until market conditions could be stabilized, while there doubtless would have been substantial reductions in the price of farm products, the disastrous slump which followed his refusal would have been avoided.

The present distressing situation of the farmers does not affect agriculture alone. It affects practically every other industry in the country. It is estimated that as a result of these conditions our farming population has suffered a loss in purchasing power aggregating between six and eight billion dollars as compared with last year. It is impossible that this condition should not affect those engaged in other industries. Every man engaged in making and selling goods and wares will of necessity feel the effect. If the farmer is ruined, the manufacturer, the merchant, the wholesaler, the jobber, and the laborer will have in the end to bear their share of the general depression which will follow. For a time they may minimize or ward off the blow, but it will inevitably come.

Those of us who are advocating this measure believe that the rehabilitation of the War Finance Corporation, thus affording the farmers of this country a credit to which they can resort of one and a half billion of dollars and a reasonable modification of the credit policy of the reserve banks in behalf of agricultural products, will materially help in the present situation. If this legislation was intended or calculated to help the farmers alone or to help them to the injury of some other industry or interest, it might be open to the charge that it is class legislation, but it is not and does not. It is not class legislation to help the farming industry, because this legislation in helping this basic industry to protect itself against ruin and keep on its feet will at the same time help to relieve the universal depression in every line of business which in a large part has been brought about by the overwhelming misfortune which has befallen our agricultural population and the disaster which is certain to befall every industry if help is not promptly

extended to the producers of the raw material essential to the other great industries of the country.

Mr. President, I wish to address myself for a few minutes to the suggestion and argument urged here and elsewhere that the rehabilitation of the War Finance Corporation will mean the withdrawal, greatly to the embarrassment of the Treasury, of large sums of money on deposit in that institution of the Government to its credit. I do not believe there is anything in this contention, because I do not believe it will be necessary for that corporation, if reestablished, except for a very short period in the beginning of its operations, to withdraw from the Treasury any considerable amount of the \$385,000,000 now to its credit. Of course, I know it would be inconvenient, not to say somewhat embarrassing, at this time to have that amount of its funds now available to meet current expenses of the Government withdrawn for other purposes. I realize that.

But, as I have said, I have no idea that that will be necessary, and I am confident whatever part of it may have to be temporarily withdrawn will be returned as soon as the corporation can get its machinery in active operation again and place its bonds on the market.

There will, I think, be no difficulty now, as there was none when it heretofore offered them, in selling the bonds of this corporation. It is a corporation every dollar of the capital stock of which is owned by the Government, and while the Government is not legally liable, there is a general feeling that the Government is morally bound, and therefore would not allow any holder of its securities to suffer loss. This corporation, if revived, will, under the amendment of March 3, 1919, have authority to issue bonds to the amount of a billion dollars. Mr. Meyer, the able former managing director of this corporation, in his statement before the Agricultural Committee, said it sold while in operation about \$200,000,000 of its bonds without serious trouble, and predicted an easy market for them now. But it is said that bonds may not sell so easily now as then. Mr. President, if not, why not? Certainly not because of any lack of available money, for there never was as much money in the United States for investment in safe securities as there is today. It may not be in circulation, unfortunately, but it is here in even larger quantity than last year, when everybody's pockets were bulging with money and our enormous excess of exports has increased the amount then in pocket. The funds available from the sale of these would make this corporation abundantly able, in cooperation with the Edge law export corporations recently authorized and that now are being formed in the different sections of the country, to finance the situation we have now under consideration.

Mr. President, without reference to the cause of the trouble I think no one acquainted with the facts will deny the serious plight in which the agricultural classes to-day find themselves.

Bad as it undoubtedly is in the grain and live-stock producing sections it is even, as I have before intimated, worse in the cotton and tobacco growing States of the South. Indeed it would be difficult to overstate the seriousness of the situation which confronts the farmers of these States.

Such part of their crops as they have by force of circumstances already been compelled to sell, has brought less than one-half the cost of production and in many cases less than the cost of the fertilizer used in their production, and if they are forced to sell the balance for prices now obtaining the part unsold will likewise fall far below the cost of production.

The tenant classes, and they are numerous, who raise their crops largely under mortgage or lien, have in most instances had to turn over their whole crops to the fertilizer and supply men and are left practically without anything to start upon the next crop. The landlord, who generally indorses the obligations of his tenants for fertilizer and supplies, in many instances finds the liability thus incurred exceeds his rents. It can not be said in any true sense that there is or has been during this fall a market in the South for either tobacco or cotton. The extreme money stringency which has prevailed there since early in September has driven from the markets to a great extent the local or so-called independent buyers who have heretofore bought and exported largely of these products, thus maintaining competitive conditions and stabilizing the market.

Whatever the cause of these conditions and whoever may be responsible for them, I think it will be admitted they lend themselves to the exploitation of the speculator and make easy the monopolization of the market, if it may be called a market, for the product by a few great exporting and industrial corporations backed by unlimited money and credit, who deal in these raw commodities, and invites a drive to capture the crops of this great section of our country at starvation prices.

Let those who fear if money is loaned the farmers on their cotton they will hold it from the market for higher prices to

the injury of the consumer not overlook the fact that those who are now buying it for half cost are much more likely in due time by the same process to exploit the consumer to a much greater extent than the farmer could.

The PRESIDING OFFICER (Mr. DIAL in the chair). The question is on the amendment offered by the Senator from Georgia [Mr. HARRIS].

Mr. THOMAS obtained the floor.

Mr. SPENCER. Will the Senator from Colorado allow me to present at this time a proposed amendment to the joint resolution?

Mr. THOMAS. I yield for that purpose.

Mr. SPENCER. I send to the desk a proposed amendment in the nature of a substitute for the pending joint resolution, which at the proper time I shall move.

The amendment intended to be proposed by Mr. SPENCER is to strike out all after the resolving clause and insert:

That in the judgment of the Congress the War Finance Corporation should resume its operations.

SEC. 2. That the Federal Reserve Board should fully cooperate in such renewed activities of the War Finance Corporation.

Mr. THOMAS. Mr. President, the address of the Senator from North Carolina [Mr. SIMMONS] indicates the excitement under which the Senate, in common with the country, is now laboring. It will explain, and possibly excuse, the speed with which the pending joint resolution has been reported out of the committee and laid before the Senate for immediate consideration. It discloses a state of mind almost hysterical in character, under the influence of which we propose to legislate in the direction indicated by would-be beneficiaries and take chances upon a successful issue. We are not dispassionately considering a very important proposal by giving it that careful and exhaustive investigation which should precede any measure designed to bring the Government to the financial aid of a portion of its people at the expense of the remainder.

At the last session of the present Congress the question of the high cost of living constituted one of our great problems, and each political party was casting or attempting to cast upon the other the responsibility for its existence. For a period long anterior to the commencement of the German war the country was confronted with a continued and progressive rise in prices, under the operation of which the great majority of the American people were suffering and some of them intensely. Those living upon fixed incomes, upon salaries, and upon wages found it difficult to meet the requirements which these prices imposed upon the necessities of life, and their suffering was almost universal. They erroneously held the Government responsible for these conditions and clamored for relief, a clamor to which we quite as erroneously responded, sometimes by the enactment of legislation aimed at its consequences instead of its causes.

Some of us thought that these inflated price conditions could not continue. Some of us warned the country from this floor that the reaction would come, inevitably, and with it a period of suffering, and possibly of disaster. We were justified in this attitude by the history of other nations and of other crises. We called attention to the operation of a law as inexorable as the law of gravitation, and to the folly of avoiding or repealing that law by human statutes. We realized that the evil was a great one. In discussion the cause of it was frequently, perhaps I may say generally, ascribed to the speculators and the profiteers, to the cornering of the market, and sometimes to the destruction of necessities in order that the supply might not overcome the demand.

During the campaign the Republican Party charged the Democratic Party with responsibility for the high cost of living, and seem to have proven their case pretty effectually, if one may judge from the ultimate result. The Democrats countered by the same process of crimination and recrimination, but all contended against the evil. Inasmuch as the Republican platform has been confirmed by the popular verdict, I may refer to it:

The prime cause of the "high cost of living" has been first and foremost a 50 per cent depreciation in the purchasing power of the dollar, due to a gross expansion of our currency and credit. Reduced production, burdensome taxation, swollen profits, and the increased demand for goods arising from a fictitious but enlarged buying power have been contributing causes in a greater or less degree.

That is but another way of saying that the high cost of living was due to inflation, and of course it was more largely due to that condition than to any other.

Then follows a condemnation of—

The unsound fiscal policies of the Democratic administration, which have brought these things to pass, and their attempts to impute the consequences to minor and secondary causes. Much of the injury wrought is irreparable. There is no short way out, and we decline to deceive the people with vain promises or quack remedies. But as the political party that throughout its history has stood for honest money and sound finance, we pledge ourselves to earnest and consistent attack

upon the high cost of living by rigorous avoidance of further inflation in our Government borrowing, by courageous and intelligent deflation of overexpanded credit and currency, by encouragement of heightened production of goods and services, by prevention of unreasonable profits, by exercise of public economy and stimulation of private thrift, and by revision of war-imposed taxes unsuited to peace-time economy.

Mr. McLEAN. Mr. President, which platform is that?

Mr. THOMAS. This is the Republican platform.

Mr. McLEAN. The other is very much the same.

Mr. THOMAS. Oh, yes. The only difference is that each seeks to "pass the buck" to the other as regards the responsibility for these conditions.

Mr. SMITH of South Carolina. So far as the buck will pass.

Mr. THOMAS. Yes.

Then follows a condemnation by the Republican Party of the Democratic Party for "failure impartially to enforce the antiprofitteering laws," to which the Democrats counter by pledging the party to—

a policy of strict economy in Government expenditures and to the enactment and enforcement of such legislation as may be required to bring profiteers before the bar of criminal justice.

The same old cry, so far as strict economy is concerned, on the part of both parties. It is remarkable that the people have stood the repetition of that rot so long. There is no intention, no desire, no purpose on the part of either of the great parties to practice economy, and the people would not let them do so if they attempted it.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, in 1909 and 1910, I believe, I served on a committee investigating the high cost of living—even at that time.

Mr. THOMAS. Oh, as I stated at the opening, the high cost of living has been a problem growing out of a condition that began to manifest itself long before 1909, due very largely to inflation, as represented by our constantly increasing indebtedness—I mean State indebtedness, public-utility indebtedness, and municipal indebtedness—and also by an extension of the activities of the Government, requiring added revenue, and consequently added sources of revenue, for the National Treasury.

Mr. President, in the discussion of this subject—that is to say, the high cost of living—which used to come up here every morning, we were substantially agreed that inflation must cease before high prices would disappear or even dwindle, and we were also agreed that production on one hand and thrift upon the other were the essentials to this change, and we also advised the public not to buy when they could help it. I had the honor to make a speech upon that subject, I think last April, which attracted some attention throughout the country, and which succeeded the so-called overalls program, aimed at this identical condition, and as a protest against the price of clothing. It seems that the people to a far greater degree than we supposed have followed the advice thus given, so that a decline in the retail business of the country soon became apparent. It may be that instead of following this counsel the purchasing power of the consumer has reached its climax; but, at any rate, the change came, and about that time came the collapse in Japan, where the identical preceding conditions had been in operation until the commerce and the buying power of the people could stand it no longer, whereupon the banks were obliged to curtail credit, the huge structures of speculative business collapsed, and that great empire found itself in the throes of a panic. Again the warning was sounded in this country by its thoughtful and experienced people, who perceived in this the beginning of the change soon to occur in our very midst.

About this time the Federal Reserve Board raised the rate of discount, if my memory serves me correctly; and, with all due respect to the opinions of Senators differing from me here, I think the only mistake made by that board was in postponing such action so long. If this new system of banking is to function as it was designed to function, then it must exercise its power to raise the rate of discount for the purpose of preventing speculation and reducing credits, just as it is expected to relax that policy by a reduction of the rate of discount when more money is needed and greater credit should be extended; and, in my judgment, no man familiar with the condition of affairs in this country from the armistice up to that time can successfully deny the proposition that our credits, both public and private, had swollen almost beyond endurance.

Mr. SMITH of South Carolina. Mr. President, will the Senator allow me to ask him a question in reference to the raising of the rate of rediscount?

Mr. THOMAS. Certainly.

Mr. SMITH of South Carolina. Does not the Senator think that raising the rate of discount is almost a useless method of seeking to discourage speculation? Is it not true that you intensify speculation, because the speculator rarely pays very

much attention to the rate of discount he pays, providing he can get the wherewithal to make his venture, while the real business man is discouraged from investing at the high rate of discount?

Mr. THOMAS. Mr. President, the speculator flourishes in times of inflation. He is as much the natural product of an inflated credit condition—which, of course, means high prices—as maggots are the product of a decaying carcass. The speculator is not the cause, but the consequence, of this plethoric condition of credit and of finance.

I agree that the mere act of increasing the discount rate does not put a stop to speculation; but I was about to say when the Senator interrupted that the Federal Reserve Board did more than that. It caused intimations to be made whereby the lending of call money for speculative purposes upon the exchanges in New York and other cities was for the time being terminated. I wish there were some way of prohibiting entirely the making of loans for those purposes. I do not know that there can be; but the remarkable feature of this measure, and of the days that have elapsed since this session of Congress began, is that we seem to have reversed our processes, and instead of denouncing the high cost of living we now propose to mobilize the assets of the Nation for the purpose of prolonging its dominion.

Mr. SMITH of South Carolina. If the condition now is worse than the other, why not go back?

Mr. THOMAS. The condition now here may be worse than the other.

Mr. SMITH of South Carolina. It seems so to me.

Mr. THOMAS. But it is as absolutely unavoidable—

Mr. SMITH of South Carolina. Why unavoidable?

Mr. THOMAS. It is as absolutely unavoidable as is the penalty that comes always to man for the violation of a fundamental law. I have heard a number of causes ascribed for this unfortunate condition. The Senator from South Carolina ascribed it to the action and policy of the Federal Reserve Board. The Senator from North Carolina [Mr. SIMMONS] sees a huge financial conspiracy, which has culminated, or is about to culminate, in the destruction of an essential class of a great national community.

We can easily determine the cause, Mr. President, by a review, however hasty, of the action of economic laws in other times under similar conditions, and I affirm that there has never been a period in the history of civilization in which great periods of inflation and speculation have not inevitably brought about panics, depression, suffering, disaster, and despair. If Senators familiar with history can place their fingers upon a solitary exception to this sequence of cause and effect, I will confess that I might be mistaken. I have not been able to find one, and I have been curious enough to read economic history from the days of the feudal system.

The wars of the Spanish Succession, away back in the first part of the eighteenth century, in the prosecution of which Great Britain contracted an enormous debt, for that period—a debt, by the way, which she has not yet paid and which she never will pay—brought this statement from the Craftsman, published in London, in 1736, some time after the return of peace:

The vast load of debt under which the nation still groans is the source of all those calamities and gloomy prospects of which we have so much to complain. To this has been owing that multiplicity of burdensome taxes which have more than doubled the price of the common necessities of life within a few years, and thereby distressed the poor laborer and manufacturer, disabled the farmer to pay his rent, and put even the gentleman of plentiful estate under the greatest difficulties to make a proper provision for his family.

The student familiar with Allison's History of Europe need not be told of the consequences of inflation caused by the Napoleonic wars. They paralleled this situation, and, what is worse, they were accompanied, which I trust will not be the case here, by bread riots, insurrections, and other revolts against authority and against social and economic conditions, by those suffering from their consequences. The result of the Franco-Prussian War, not quite so extreme, was of similar character, and we, Mr. President, after our vast expenditures in the Civil War in the early sixties, had our period of inflation, both of prices and of speculation, followed by an effort at deflation shortly after which came the terrible panic of 1873, a panic which reduced the agricultural classes to the lowest depths of dependence and poverty; a panic which closed hundreds of banking institutions; a panic which placed a pall upon our manufacturing industries from which they did not recover until 1879; a panic whose immediate and disastrous consequences extended through four or five long years of discipline and of suffering.

We discovered by bitter experience that the way of extrication from the morass was to work and save and do what we

could to rescue as much as possible from the disaster of the wreck. Dependent upon that self-reliance and confidence in the individual which is the glory of the Anglo-Saxon, we retrieved our fortunes and regained our normal prosperity.

Mr. FLETCHER. The Senator will not forget the Black Friday of 1869?

Mr. THOMAS. No. That preceded the panic of 1873. That was one of the dire consequences not only of inflation, but of speculation, and was the result of an effort to secure a corner in gold, which commanded a premium, and the use of which in our foreign exchanges and for the payment of our national obligations was absolutely essential.

But the panic of 1893 followed the wildest days of speculation and inflation I have ever known, chiefly in real estate, throughout the country. I know everything east of Denver on the plains was laid out in town lots until we met a similar extension from Kansas City, and it is said that a would-be purchaser was shown some lots by a Kansas City real estate dealer during that period, which he declined to buy, and came to Denver to look for a better bargain. His Denver real estate dealer took him out and showed him the identical lots, which seemed to form part of an addition to both of those great cities.

From 1887—and there was a little flurry then—to 1893 we indulged in an orgy of development and of speculation and of inflation. Then came the harvest of suffering and of tears which paralyzed the business energies of this country for several years afterwards.

Talk about the farmer—in our section of the country it wiped him almost from the map.

Mr. SMITH of South Carolina. It always does.

Mr. THOMAS. The story is told that in 1894 an old farmer concluded to sell his 160 acres if he could find anybody who was fool enough to buy it, so one day he met a tenderfoot with a pony, and he asked this fellow who had the pony if he would trade his pony for some real estate. He said he would. So the farmer offered him 80 acres for his pony, and when the deed was drawn he found the fellow could not read, so he just rung in the whole 160 acres on him, and thus got rid of his encumbrance entirely.

Now we are face to face with an identical situation, and we are confronted by a resolution designed to overcome it containing a preamble reciting that this is "unprecedented and unparalleled." There are plenty of precedents and plenty of parallels, and there always will be so long as man is foolish enough to pay no heed to the signposts of history and the teachings of economic law, which we can no more violate with impunity than we can the laws of gravitation, or the laws of the tides, or any other of those great and immutable rules by which nature and economics are governed.

I think, Mr. President, that one result of this measure, which is bound to pass, will be to penalize the thrift we have been preaching, by taking away what we have been able to save during this period of high prices, and turning it over to those who have been unmindful of conditions, not alone the agriculturists, but others who are just as much entitled to the guardianship and protection of the United States as any others of its citizens, if that be one of its functions.

Mr. SMITH of South Carolina. The Steel Trust, for instance.

Mr. THOMAS. No, not the Steel Trust; yet I may say that if we are going into the business of indemnifying losses, we can not particularize between citizens, no matter how far apart they may be in the matter of earthly possessions.

But I call to mind the fact, Mr. President, that there are in this country a vast number of manufacturers with immense quantities of goods on their hands that cost infinitely more than the price of production, who are to-day facing bankruptcy, which is bound to overtake a great many of them; and I contend that those people are just as much entitled to the overlordship of the Government as are the farmers and the raisers of other products, because their work, although not as essential, of course, to our physical existence, is as essential to our modern civilization as any other pursuits. What are you to do with these 2,000,000 men who are out of employment because of the shutting down of these places, due to the lack of orders? Do you tell me that a man who has a family and who depends upon his everyday work for their support, and who is thrown out of employment is not also entitled to Government protection, if we are to extend it as is proposed here? Where will you dare to draw the line?

Mr. President, if I had time I might run the whole gamut of society, and I think demonstrate that when the Government goes into the business of paternalism it can play no favorites. If it does, it is bound to have trouble, and ought to have trouble, upon its hands.

What do we propose to do here? First, to revive the activities of the War Finance Corporation, "and that said corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural products to foreign markets."

I think I would support that, not because I believe it will prove to be the remedy desired, but because I have the very highest opinion of the ability and business efficiency of Mr. Eugene Meyer. I have great confidence in his judgment as to what can be accomplished by the revival of this institution. I am sorry that Mr. Meyer in his testimony referred, in a somewhat undignified and unjust way, to the statements of the Secretary of the Treasury, who in my judgment is an honest, conscientious, capable, and patriotic official, a man who has done and who will continue to do his duty as he sees it; who does not pretend to infallibility, but who is entitled to that respect and that consideration to which every honest man is entitled in official life, no matter what his politics may be. But I do not believe, Mr. President, that this experiment will greatly relieve the situation.

In the first place, the United States must borrow \$380,000,000 or its equivalent, and that at a time when it is itself faced, according to the statement of the Senator from North Dakota [Mr. McCUMBER] yesterday, with a deficit of one and three-quarter billions of dollars on the 30th day of next June.

I say it must borrow it, because it appears from the statement of the Secretary of the Treasury that this sum, at the time the activities of the War Finance Corporation were suspended—and that is also sustained by the statement of Mr. Meyer—was transferred to another fund, and I think credited upon the national debt. Now, if a banking institution has a capital of \$380,000,000, which capital is hypothecated, we will say, or removed or changed or diverted or converted to some other purpose, it is exhausted, and the only way to restore it is to restore it. I do not know how that can be done except by using the credit of the United States for raising that amount of money on bonds. I do not care what you call it, it must be money or its equivalent, and if this disaster is so enormous, and I have no doubt it is, pray tell me to what extent this borrowed \$380,000,000 will go toward the process of resuscitation?

Do not forget now that the agricultural interest is only one of many that are clamoring here for relief. Even the Senator from Utah [Mr. SMOOT], usually cool-headed and retaining his presence of mind, is hysterical enough to tell us that the wool industry will perish unless we place an embargo upon the importation of all other wool. That industry is coming here for relief. So is the live-stock industry, and these will be followed in their train by a multitude of others, using this precedent and invoking the agency of the War Finance Corporation for its preservation.

Why, this \$380,000,000 will be so relatively insignificant that I venture to predict that before the winter is over we will be called upon to supplement it several times over. It is a pretty big job, even for the United States Government, to take care of the personal fortunes, amend the commercial casualties, repair the business and productive failures of 105,000,000 people, and especially when it is itself so overburdened with debt that it is almost as bad off as those it would seek to relieve.

There is no one here, and by that I mean no one at present appearing in Washington, lobbyist or otherwise, who seems to have much concern about poor old Uncle Sam. I read a statement in the Literary Digest a little while ago that there are 125 lobbies in Washington. President Wilson got after what he called an insidious lobby in 1914 and cleaned it up, as he thought; but that seems to have been merely the prolific parent of a brood of lobbies, representing races, business pursuits, social, philanthropic, economic, and other activities, all of them clamoring for Uncle Sam's money and assistance, and none of them particular about the consequences of their success to the Federal Treasury.

I do not know what the result will be, but if when we add to our deficiency and to the capital of the War Finance Corporation \$2,450,000,000 which the House has voted for a bonus and which is to be pressed upon the consideration of the Senate, thus creating, if it passes—and it will pass if a roll call is demanded; I will gamble my soul on that—that much more debt to be added to this poor old gentleman's ever-increasing burdens, where is he to get all the money needed for the War Finance Corporation? The Senator from North Carolina [Mr. SIMMONS] says there is more money in the country than ever before, and that is true; but the Senator from South Carolina [Mr. SMITH] says it is the biggest coward in the world, that there is nothing so timid as capital.

Mr. SMITH of South Carolina. That is true.

Mr. THOMAS. It is true sometimes; sometimes there is nothing more reckless. It is either one or the other; it goes from one extreme to the other. But none of it is liable to be invested where a reasonable certainty of a fair profit is not in sight. We can stretch the credit even of the Government of the United States until it snaps, and we are making a good start in that direction.

What the next Congress will do I do not know, and for what it does do I shall not be responsible, thank God, even in part. I have no doubt that it will enact a tariff law that will make poor old Aldrich green with envy, if indeed he does not turn in his grave. I have not a doubt that everything will be protected that is not embargoed, and between the embargo and the prohibitive tariff we will then enter upon a career of international trade and exchange in which we will sell to the rest of the world and let them do the buying among themselves.

That reminds me, Mr. President, just here of the testimony of Mr. Scroyer, a very estimable farmer from Nebraska, who, it seems, has been a Democrat, but now is a Republican, because he wants a tariff on corn and wheat and everything that the farmer produces. Speaking of his surplus, on page 9 he says:

We want immediate export. If you want to make provisions for a relief, we want the Federal land banks restored. We had that, and that gave some relief.

Then again he demands exports. He wants an export of his surplus and demands it at once. In other words, this gentleman represents a prevailing idea that we can penalize the products of other countries without at all affecting the sale of our products to them. We are going to put an embargo upon wool—there is no doubt about that, I think—and I have received letters, and I have no doubt others have, demanding embargoes upon other things, upon the principle that if it is good to embargo wool it is good to embargo other commodities, and so it is.

How are we to find a market for our surplus with the countries upon which these embargoes are to operate? Human nature—and I think even President Wilson is convinced of it now—is about the same at all times and in all countries. Other nations will inevitably apply laws of retaliation to American commerce, and ought to, in consequence of which, while our wall may be very high for them it will be too high for ourselves, and the exports which this very intelligent and estimable gentleman wants so badly and which I concede that he should have are to be excluded by the remedies that he proposes, to extend to others suffering equally from this deflation in prices.

Now, Mr. President, I can understand how, according to Mr. Meyer, it will be possible to encourage the formation of associations and companies who will undertake to finance and to export some of these commodities and create a market for them and who will assume the financial responsibilities, subject to the security that can be offered by these corporations, and which may in some degree alleviate this situation. But what puzzles me is where these goods are going. Yesterday I read in the papers, and I have not seen it contradicted, that Argentina had declined to receive \$12,000,000 worth of American merchandise, or rather her merchants had declined to receive it, because the difference in the rate of exchange between Argentine money and the American dollar is so great that they could only take those goods at a heavy loss, and therefore they refused to receive them at all.

If Argentina is in that situation what shall we say of Germany and of Austria, and in fact of all of the countries of Europe, with the possible exception of Great Britain, whose rates of exchange are even worse, as compared with the American dollar, than those of South America, and which therefore can not, without the most ruinous sacrifice, secure exports from the United States?

The fall in exchange operates as a bounty upon exports from the country where the exchange is lowest, and that, I may say to the senior Senator from North Dakota [Mr. McCUMBER], in my judgment fully accounts for the importation into this country of Canadian wheat, because the exchange between Canadian money and American money is in favor of Canada, and consequently it gives her so much of a bounty on her exports that she can afford to undersell the American producer.

I do not think the relief against this is in the tariff at all. I may be mistaken. It must come from a regulation and a steadying of exchange, and that must come very largely by agreement and by support and by credits from nation to nation, followed by the balancing of exports with imports.

One reason why this slump, as it has been called, and properly so, has become acute is due not to the needs of our products in other countries, but to their inability to pay for them. Inter-

national trade is simply exchange, and only balances are paid for in cash. We can not sell our goods to Germany—and I speak of Germany because it is the principal commercial nation with which we have to deal on the Continent—because Germany's power to purchase has practically disappeared; it is merely negligible; and, inasmuch as the commercial structure of central Europe is based almost entirely upon that of the German Empire, the same condition applies to the newly created nations, and largely to Austria and more largely to Italy.

Mr. President, we have spent several months in this distinguished body since the war in discussing one part of the German treaty, and we have been so intent upon our controversy over that part that we have paid little or no attention to the main body of the treaty itself.

A recent book published by Mr. John F. Bass, and entitled "The Peace Tangle," to my mind the most important contribution thus far made to the literature of the subject, emphasizes the deplorable fact that the peace conference was totally indifferent to the economic situation in Europe and to the economic consequences of the peace it negotiated. They created new sovereignties and tried to fix their boundaries. They penalized Germany and Austria, the latter almost to the point of extermination. But they took no note of that great economic structure, the fruit of the experience of nearly a century, which had been built up in central Europe by nations interdependent upon each other and connected or linked together by a series of natural streams, of canals, and of railroads. The Allies were so intent, in other words, upon indemnities, upon disarmament of the erstwhile foe, and upon the creation of new sovereignties that they lost sight of that more fundamentally important condition, the need of which to the peace and prosperity and happiness of peoples is absolutely indispensable. The consequence is that the economic structure and policy of all of central Europe has collapsed, and each one of the new nations, when not engaged in internecine trouble, is endeavoring to create a sort of commercial system of its own. The result is pandemonium. For example, Czechoslovakia will supply Austria with coal for her foundries, only upon condition that Austria shall in return furnish Czechoslovakia the entire product of those foundries.

Trieste is one of the great harbors, if not the greatest harbor, of the Adriatic, to which before the war was tributary nearly all the overseas commerce of Austria, including Czechoslovakia, a part of Poland, Hungary, Jugo-Slavia, or Slavonia—it is about all a man's reputation is worth to try to pronounce some of those names—but now there is a distinct railroad system for each, a distinct set of duties for each, and a distinct determination of each to retain in its own possession all cars that may come within its physical jurisdiction. The result is that Trieste is doing no business; it can not. An equal result is that there is a paralysis of interchange of commodities by these people among themselves. As is inevitably the case, these trade controversies are fruitful parents of war and bloodshed, and the peace of Europe to-day is, in my judgment, threatened more imminently by commercial conditions, or rather the lack of them, than by anything else. They need what we have to sell; their people in the many sections are starving for the lack of the ordinary necessities of life. Certainly we want to export to them, but commerce is a cold-blooded affair, and depends upon exchange. If those people have money with which to buy these products, they can have them; if they have products which they can exchange for them, we can supply their needs; but if they have neither we may stand upon this floor and talk until doomsday, we may pass all the tariffs or abolish all the tariffs that the mind of man can conceive, and yet this stale condition will continue—plenty and plethora in one land, want and starvation in others. Hence, I do not see how it is possible for the War Finance Corporation or for any other organization to create markets when none can exist because of the absence of conditions which are indispensable to them.

Of course it is said that we can supply credit and by supplying credit we can furnish the means with which to pay for our own goods. It was stated yesterday that Germany was our second best customer in Europe before the war, and she was; but so long as Germany rests under the burden of an indefinite indemnity, so long as she is in the hands of a receivership composed of the members of the Reparation Commission, so long as what she produces is to be taken from her and to be given to the Allies as indemnity, with no certitude of its ever ending, and with no assurance as to the final definite amount, so long will her energies be paralyzed, so long will her power to purchase be dormant, and so long will it be impossible for her to re-create that trade which at one time took so much of our products and afforded mutual prosperity to both countries.

It is hardly necessary for me to say that I am no sympathizer with Germany; I fully agree that she brought her punishment upon herself; but if, as Mr. Wilson once said, we must be just to those to whom we wish to be just as well as just to those to whom we do not wish to be just, and if we are to permit 70,000,000 people to regain their feet and become a factor in the productive energies of the world, then the economic features of the treaty should be changed and changed as soon as possible. We are partly responsible for the structure of the treaty, but the Senate has so far, I am pleased to say, withheld its assent from that document; and I believe if the people had understood as much about the treaty as they did about the covenant of the league the vote at the last election would have been practically unanimous, even in the South.

So much, Mr. President, for the possibility of creating markets where markets can not possibly exist in the absence of conditions which are essential to the international exchange of commodities.

Some reflections have been made here, not intentionally, however, upon the attitude and action of the banking interests of the country toward the farmers. So far as I am able to judge, the local banks have gone to the limit in extending credit to producers, and in some instances I am very sure to producers not satisfied with prevailing prices, but who have desired to hold for better ones. I am not complaining of that; that is human nature. In one sense it is profiteering, but it is the natural and therefore the perfectly legitimate action of the owner of those articles the market price of which does not meet with his expectations or desires. But it is unfortunate, nevertheless, in view of the fact that the market price of commodities having fallen to such a degree, the banker himself is embarrassed. A national bank in the town of Sterling in my State suspended the other day. The Comptroller of the Currency tells me that its assets are perfectly good, and consequently he does not intend to appoint a receiver, but they consist of farm and live-stock paper upon which it can not at present realize. He also informed me that such is the situation very largely throughout that section of the country.

It seems to me that the banks may need the protection of the Government quite as much as those whom they have attempted to protect in turn, and, instead of condemning them for a supposedly niggardly course, we should condemn them for having stretched their credit too far, and by that means brought their depositors in danger and subjected them to unnecessary losses.

I do not understand that so far as the western banks are concerned there has been any sort of evidence of an intention upon their part to take advantage of the situation to refuse to extend credit as far as they dare or to press for payment by the foreclosure of securities. I think, generally speaking, they have acted according to the spirit of the Federal reserve act, feeling that, in the absence of those conditions which made panics inevitable under the old system, they could take more chances, and, therefore, under the circumstances, did take them.

Mr. President, the amendment which the Senator from Georgia [Mr. SMITH] has offered, and which the Senator from Mississippi [Mr. HARRISON] opposes, because he thinks that the power to favor other interests now exists, is not only a very natural addition, but an inevitable one. The Senator from Georgia proposes to insert the words "and other" after the word "agricultural" on the seventh line of the second page of the joint resolution, so that the provision will read:

And the members of the War Finance Corporation are hereby directed to revive the activities of the War Finance Corporation, and that said corporation be at once rehabilitated with the view of assisting in the financing of the exportation of the agricultural and other products to foreign markets.

I think that is a desirable amendment if we are to carry through this legislation at all, because otherwise the legislation is distinctly class legislation, and to that I am opposed. I grant you there are precedents enough, God knows. The Senator from Kansas referred to a precedent for the advance of the amount needed for the capitalization of the War Finance Corporation. I repeat, there are precedents enough. When we took the tariff off sugar back in the eighties, if I remember correctly, we allowed Louisiana to put her hand into the Treasury up to the elbow and take out what was necessary in the shape of a bounty to equalize the difference between the cost of her production of sugar and the cost of production abroad. Since I have been a Member of the Senate there has been about as much class legislation, perhaps, as has been enacted in any similar previous period of time.

I regard every duty placed upon an article for the sole purpose of protection as a bounty of the Government to the favored individual. There is plenty of precedent for it. I regard every pension paid to an able-bodied man who has done

his duty to his country by serving it as a bounty, as an appropriation from the Treasury to men representing a particular class. So it is too late, if I were so disposed, to object to that feature of the joint resolution as class legislation; but it is class legislation, pure and simple, if the amendment of the Senator from Georgia is not adopted; and, disguise it as you will, class legislation is socialistic legislation; and it is strange that men will preach against the doctrine of socialism, and sometimes upon this floor cast reflections upon men who do profess to believe in that doctrine, and then deliberately apply it in legislation themselves.

Of course, all other products are just as much entitled to the benefits to flow from special legislation as are the farmers or the wool growers or the live-stock men or those engaged in the production of cotton. If I go into a manufacturing enterprise and invest my money, and on account of the fall in the price of the product, whatever the cause, not only in my institution but in all others similarly situated, I am threatened with ruin, because I must sell, if at all, at a sacrifice below the cost of production, why am I not also entitled to the protection of the Government? Why should not Uncle Sam make me whole?

I was handed this memorandum yesterday:

I had \$1,700 stock in a little corporation which the war busted. It is just wound up, and I charge up a loss of \$561. What are you going to do for me?

That is a perfectly fair question—a perfectly fair question. I say, "You went into this enterprise with your eyes open, as a citizen, and took chances." The Government is not organized as a universal hospital to cure the commercial and economic accidents and diseases of all mankind. It was created to protect the citizen, and enable him to function on his own account; and I think, Mr. President, that the most pernicious consequence of this kind of legislation is the fact that it is depriving the people of the country, the good old Anglo-Saxon stock, of that element of self-reliance, personal ambition, and the desire to succeed, which lies at the foundation of all individual and national prosperity.

Why should I exert myself unduly in order to succeed, if, when I fail, the Government is to catch me, and act as a parachute to land me safely on the ground? We are coming to it very rapidly; and why should a man exercise thrift, and accumulate something beyond the cost of living, if when he has a little property it is to be taken from him and given to the man who is thriftless, or unfortunate, however thrifty he may be? That is our modern idea, so far as our practice goes, of government; and, as a consequence, we have these 125 lobbies to which I have referred, all with their hands and their tongues out, and both stretched in the direction of the United States Treasury.

I was called into the lobby a short time ago, just before I began to speak, by some gentlemen who are here who want some money for good roads. They said they certainly expected that I would assist them to the best of my ability. I told them I would. I informed them that up to this time I had unsuccessfully opposed every such measure, and by opposing theirs I would guarantee its passage. I also told them that inasmuch as we only had a little deficiency of a billion and a quarter staring us in the face, and a demand for two and a half billions for bonus, and a bill practically appropriating five hundred millions now before the Senate, if there was anything left I thought they ought to have it for good roads; and consequently I assured them that I would oppose the bill; hence they would receive it unless the bottom of the Treasury should be reached, in which event they ought to apply and perhaps would be treated as preferred creditors.

Mr. President, I have now discussed the first section of the joint resolution, notwithstanding the fact that I announced at the beginning that I should not oppose it by my vote. I do not, however, by keeping silent desire to be reproached hereafter for the ineffectiveness of the remedy when it comes to operate. I know that it is foredoomed to failure, and that we must go through the same course that our fathers have gone through under similar circumstances—a hard, bitter experience, filled with suffering and sorrow and misfortune, either now or at some other time before we get back to normal conditions. I have too high an opinion of the yeomanry of America to think that they are not capable of it. I was a boy in the South during the war and a few years afterwards. That country had been swept by the desolation of war, and everything that was left became the prey of the scalawag and the carpetbagger. To add to our misfortune, there was a hostile Central Government ruling the white people of that country with a rod of iron.

No people ever faced a more dismal and awful prospect, but they did not perish. They rose supreme to the occasion, and, undaunted, grappled with foes, political and economic, overcame

both, and made their country one of the most beautiful and prosperous in all the world.

What my people in the South did then they can do now, and they would do it but for the fact that this generation has been educated into the notion that Uncle Sam is a universal dispenser of bounties upon all adverse occasions.

Why, Mr. President, I remember shortly after the declaration of war with Germany that there was a universal dislocation of business everywhere, and cotton conditions in the South were as bad, if not worse, than they are at present, and some of our southern Senators—I am saying it with all due respect—then lost their heads and introduced a joint resolution providing for the issuance of \$250,000,000 of bonds, the proceeds whereof were to be invested in cotton, to be held until cotton reached 10 cents a pound. They thought it was absolutely necessary to save the South. They were perfectly honest in it. In fact, I think some of them went so far as even to menace the solidarity of the Democratic majority in this body if we did not pass it; but we rejected it, and I think properly, and the South still lives, still proud, still prosperous, and still defiant, thank God!

When the mints of India closed practically every silver mine in the West closed, and that brought disaster to my section of the country, and a very severe one, followed shortly afterwards by the panic known as the panic of 1893. Senators from my State and from the other silver-producing States iterated and reiterated in this body the certain destruction of the civilization of the great Rocky Mountain region if silver was not restored, and I believe them just as honestly as my friend the Senator from Georgia in 1914 believed that that \$250,000,000 bond issue was necessary to save his State.

Mr. SMITH of Georgia. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Colorado yield to the Senator from Georgia?

Mr. THOMAS. I do.

Mr. SMITH of Georgia. I did not believe it necessary to save our State, but I believed that it was wise. I still believe it was wise, and I think it was a horrible blunder that is was not done.

Mr. THOMAS. I am glad the Senator stands by his guns. That is right. I honor him for it; but I did not agree with him then, and I do not agree with him now.

Mr. SMITH of Georgia. Furthermore, if the Government had pursued the policy suggested, the Government would have made a large sum from its investment, and our exports would have brought a normal price, instead of having brought about one-half of what they should have brought.

Mr. THOMAS. If the function of the Government is to go into business and to make money by taxing the people, why, of course, that may be. I do not know; but I am going to be just as candid as the Senator is. I am going to admit that I was mistaken. What I apprehended never happened. It was found that we could not get silver coinage, and so we went to producing gold and zinc and lead and everything else of a mineral or metallic character that we could dig out of the ground. While I think it was a mistake, and always will to my dying day believe that the demonetization of silver was little short of a crime, I have been cured of the notion that its coinage was absolutely indispensable to the commercial existence of any people or any section of the people. So, I do not want to lose my head again; and the difficulty is that the country has lost its head just now.

Mr. SMITH of Georgia. Mr. President, will the Senator pardon me for just a moment?

The PRESIDING OFFICER. Does the Senator from Colorado further yield to the Senator from Georgia?

Mr. THOMAS. I do.

Mr. SMITH of Georgia. I did not consider it essential to the prosperity of the South or of the cotton-growing States. I believed at the time that there was a condition which could be justly and properly and wisely relieved, growing out of the war.

Mr. THOMAS. Whatever the Senator's idea was—and of course I take his statement for that—the fact is that the calamity which roused him to such action did not occur. In fact, Mr. President, nine-tenths of our troubles never do occur, except by anticipation.

Mr. SMITH of South Carolina. Perhaps we have not any troubles now.

Mr. THOMAS. Yes; you have some now—there is no doubt about that—but they are not half as bad as you think they are, and I am satisfied that the future will demonstrate the truth of my statement. Legislation of so supreme an importance and character ought to be enacted, as I stated before, only after the most profound consideration and by dispassionate and unexcited men, and that we are not.

Now, Mr. President, a few words regarding the second section, and I will relieve the Senate from further torture. The second section provides:

That the Federal Reserve Board is hereby directed to take such action as may be necessary to permit the member banks of the Federal Reserve System, in accordance with law and consistent with sound banking, to grant liberal extensions of credit to the farmers of the country upon the security of the agricultural products now held by them, by permitting the rediscounting of such notes of extension at the lowest possible rate of interest.

My first criticism of the second section is that it conveys to the country the impression that the Federal Reserve Board has not been doing its duty, that it has been derelict in a crisis to the people of the United States. The committee did not mean it so, I concede fully, but that is the impression, in my judgment, which will be conveyed from one end of this country to the other among responsible people. It is a reflection upon the Federal Reserve Board, not an intentional but an inevitable one.

I read the hearings carefully. I have known the workings of the Federal Reserve Board, and I contend that in the discharge of their functions they have sought to do, and I think nearly always have done, their duty well. It takes a brave man, in a crisis, to perform his duty, and the law that is worth anything must be equal to the crisis which confronts it, and which was anticipated at the time of its enactment because of past experiences. I know of nothing more dangerous and damnable to a commercial people than inflation, except deflation, because the last is immediate and much more drastic, and consequently deflation should come gradually, and that has been the case with the Federal Reserve Board, because to-day, so far as our circulation goes, it has not been reduced, but has simply been held stationary and hardly that.

The Senator from North Dakota called attention to the fact that the governor of the Federal Reserve Board said that up to a certain time last spring the increase of our currency had an angle of about 45°, from which time it has assumed one of about 2°. That is the sort of deflation, Mr. President, that ought to be practiced.

But that is not the thing which is responsible for this situation. If this angle of increase had been maintained at 45° or more it would have come just the same. It is absolutely inevitable. The terrible part of it is that it came so suddenly; that is, relatively it was sudden. But it has been coming for months, and it has come as a consequence of the refusal of the people of the United States to be held up any longer with high prices. It seems to me that the consumers of this country have a right to complain that, now they are face to face with a reduction in prices, the Congress of the United States is executing a military maneuver of right-about-face and legislating to keep them up.

Talk about political consistency. As acrobats Congress can give a political convention cards and spades; that is, if this is a sample of the sort of legislation which is going to follow now. We ran like a pack away from high prices. We are now running like a pack away from low prices, and when you consider that the consumer of America constitutes the principal class—the man of salary and the man of fixed income and the wage earner, next to the farmer, constitute the greatest class in the country, and the farmer is also a consumer—I think that, subject to the needs of the producers of the country, we should welcome instead of attempting to repel the inevitable return of a decent standard of livelihood.

I concede, Mr. President, that the prices of necessities to the consumer have not kept ratio to the fall of prices to the producer. That is unfortunate. It costs the farmer to-day and it costs the consumer everywhere who supports the retail business of the country pretty nearly as much to live as ever, and especially if he has to travel and patronize any of the hotels of the country. But that only indicates what is almost always the case, that the prices of the distributor to the actual consumer are the last to come down, due very largely, first, to the fact that the public must continue to purchase what is absolutely necessary and also to the fact that the retailer can not so readily readjust himself to the change—that is, his overhead charges, his credits, and so forth. There may be a consequent disaster; but I venture the prediction that after the holidays are over retail prices will fall very rapidly. They have to. I know of no way of avoiding it, like the general situation, which may be stemmed for a short time, perhaps, but inevitably it must come, and I think the sooner we meet that fact and go through the valley of the shadow and get back to the old conditions the better it is going to be for us.

I agree with the Senator from Utah [Mr. Smoot], Mr. President, that the second section is practically meaningless. It directs the Federal Reserve Board "to take such action as may be necessary to permit the member banks of the Federal Re-

serve System, in accordance with law and consistent with sound banking, to grant liberal extensions."

That power exists under the present law. The Federal Reserve Board does not make any loans. The Federal Reserve Board does not direct the member bank where it shall receive credits or discounts. The Federal Reserve Board can not tell the Riggs National Bank of Washington what loans it must make and what loans it must not make. It can examine its loans, and does so, in order that rules of sound banking may not be ignored or departed from. The trouble is that they have done all they can do under the law, and unless they do more under this proposed law, then complaint will be made, and it will be made with great insistence, that they have ignored the direction of Congress, by paying no attention to its joint resolution. I do not believe that there is a Senator upon this floor who, as a member of the Federal Reserve Board, would have changed the policy which it has followed, or who would under this direction change its policy. And yet I think there can be no doubt that unless something radical and drastic is done, the members of this board will be denounced, as they have been frequently and unjustly denounced, not always here, but in other places as well.

I recall—I think it was in August, 1919, though perhaps I do not get the date correctly—when this body passed a resolution upon the subject of deflation, the general impression being then that credits were being extended too far, and calling upon the board for information upon that subject, which was duly furnished.

That is all right; we have the right to do that. But in a crisis like this, to pass a law directing this board to do something which in its judgment it ought not to do is to interfere with the principles of sound banking, with the judgment and discretion of men who know their business and who were appointed to perform it. We can not afford, in my judgment, without threatening the integrity of the entire system, to enact resolutions and statutes amendatory of a great banking act for the purpose of meeting an emergency that seems to threaten a part of our people. If you set the precedent there will never be such a thing as contraction of currency in the United States. If you set the precedent the board will function as a body merely designed to extend credits and increase the circulation, and when that is done you will have plenty of money, but it will be rotten, just as the money of nearly all the nations of Europe is to-day. We produce more than we can sell. We produce more than there is a market for, and the problem of the farmer is the problem of distribution and of markets.

I read from a review entitled "Economic Conditions," issued by the National City Bank, this short extract:

This slump in business conditions has demonstrated again that the great movements in the business world which make good times or bad times are spontaneous and beyond control. They are due to mass action and mass psychology. The business of the country depends upon the purchases and policies of tens of millions of individuals, and when they become generally possessed of a spirit of confidence and go ahead with their planning and spending under its influence we have a period of prosperity. The difference between free spending and careful economy by all the people of this country means a vast difference in the volume of trade and the level of prices.

A state of full prosperity is seldom long maintained, because it means a balanced state of industry, and the balance may be disturbed by many influences, originating at home or abroad. The war gave an enormous but unhealthy stimulus to the industries and brought on the rise of wages and prices. Following the war there was another abnormal period, due to scarcity resulting from the war and the release of demands that had been in restraint. The actual scarcity was exaggerated in many instances, as in the case of clothing and sugar, by an insistent demand which would be supplied at any price. A market in which demand exceeds supply is commonly called a seller's market, on the theory that the seller names the price, but the prices upon many commodities in the latter part of 1919 and early part of 1920 were made by a scramble of buyers and the bidding of dealers eager to supply them. There was a shortage of cloth and of sugar, but the market was overstimulated by the action of buyers, who in many instances tried to get more than they really wanted in the expectation that the limited supplies would be allotted or to provide for the future. Nobody was more deceived than the dealers and producers.

I do not see, Mr. President, if it be true that the masses buying, or the failing of the masses to buy, is the factor which determines operations, and it is a fact, and particularly where a market is a seller's market, as ours has been so long, that any direction to extend credit to producers upon the security of the agricultural products now held by them, by permitting the rediscount of notes, of extension, or otherwise, can affect this situation. It is largely beyond the power of human control, and there is, as we all at least should know, a limit to human legislation. We can not legislate July weather into January. We can not change the course of the planets around the sun. We can not legislate figs upon thistles, and, with all due respect to the present presiding officer [Mr. SHEPPARD in the chair], I do not believe we can legislate virtue into the average man. These are things which are beyond the realm of

human statutes, and, generally speaking, when we try to regulate them the result is either disastrous or ridiculous.

Mr. President, I shall ask for a separate vote upon these two sections, to the end that the Senate may discriminate between them.

Mr. GRONNA. Mr. President, I was in hopes that we could dispose of the joint resolution to-day. There never was a time in the history of the Nation when remedial legislation of this sort was as urgent as it is to-day. I am sure that every Senator realizes that.

However, I certainly do not wish to deprive any Senator of the fullest opportunity to speak. I could not do that if I wanted; but I wish to state my position; I do not wish to say to any Senator that he can not have all the time he wants to discuss this joint resolution. I realize that it is an important measure. I also realize that at this time we do not perhaps have a quorum, but we can get a quorum here. I do not know of a time when it was more necessary or more important than the present to get a quorum and to keep Members here until pending legislation is disposed of, when banks all through the country are suspending and closing their doors, when farmers are unable to dispose of their products for the very reason that they can not obtain money, when the money is being locked up.

If we can have an understanding that we shall take a recess until 11 o'clock on Monday, and that those who are here present will give unanimous consent at that time—I am not asking that it be done now—to vote not later than, say, 3 o'clock on Monday, perhaps we could make time by taking such action.

Mr. KING. Mr. President, may I say to the Senator from North Dakota that on Monday a number of very important committees will meet for the first time at this session. Some of those committees are called for 11 o'clock, others for 10 o'clock. I suggest to the Senator to move a recess until 12 o'clock. I am sure that a vote will be had upon Monday on the joint resolution.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. GRONNA. Certainly.

Mr. NORRIS. Can we have an assurance, as much as we can get under the circumstances, without going through the formality of submitting a unanimous-consent request, that we will vote not later than 3 o'clock on Monday if we take a recess until 12 o'clock on that day?

Mr. KING. So far as I am concerned, I should be very glad to assure the Senator of that and use what little influence I may have to that end.

Mr. THOMAS. I beg to assure the Senator that I am ready to vote now.

Mr. NORRIS. So am I; but there are some Senators who want to be heard upon the joint resolution. I have refrained from talking in order that I might do my part toward getting a vote as soon as possible.

We had an understanding, I thought, as much as we could have an understanding without calling the roll and going through the formality, that we would vote to-day if we would consent to an adjournment yesterday at an hour which was proposed and which was a very early hour for adjournment. We expected in all good faith that there would be a vote to-day.

Mr. KING. May I say to the Senator that I do not think he will make any progress toward getting a vote by indulging in any criticism. I am sure there is no disposition upon the part of any Senator to delay the vote.

Mr. NORRIS. The Senator will not dispute that statement? The Senator was here yesterday.

Mr. KING. I do not know anything about it.

Mr. NORRIS. The Senator was present.

Mr. KING. I can assure the Senator so far as I am concerned that I know of no one who will vote against the joint resolution. My present intention is, after one or two amendments are agreed to, to vote for it. I am sure there are two Senators who desire to submit some observations upon the measure, and I have no doubt in the world that if we take a recess until 12 o'clock on Monday the measure may be disposed of by 3 o'clock.

Mr. SMOOT. Mr. President, I wish to call the Senator's attention to the fact that nearly every hour this afternoon has been taken by Senators in favor of the measure.

Mr. NORRIS. And that includes the senior Senator from Utah.

Mr. SMOOT. I am perfectly aware of that. I am not criticizing anyone, if anyone wishes to speak. The Senator from Colorado [Mr. THOMAS] is the last one who has spoken this afternoon, and I am quite sure from what I have heard that there is no more discussion to be had, except by the junior Senator from Utah [Mr. KING], and possibly one other Senator.

So far as I am concerned, there can be a vote at 3 o'clock on Monday.

Mr. NORRIS. There was no one who had any doubt yesterday that we would get to a vote to-day, and we adjourned with that understanding. I am perfectly willing to concede to every Senator the right to debate the joint resolution as long as he wants to do so.

Mr. THOMAS. I must confess my ignorance of that understanding. I had no such understanding, although I fully expected that there would be a vote to-day, because from what I heard I supposed that I was the only Senator who wanted to say anything further on the joint resolution. However, I did not understand that there was any assurance that there would be a vote to-day.

Mr. NORRIS. One Senator speaking, as a rule, brings forward other Senators. Senators have spoken to-day who would not have spoken if it had not been for some things that were said by other Senators that they thought ought to be answered. I think the senior Senator from Utah [Mr. SMOOT], a very ardent supporter of the joint resolution, was engaged for a couple of hours in criticism of it, and that brought on some discussion from other Senators who wanted to answer him.

Mr. SMOOT. I resent that, because I was on the floor for an hour and 10 minutes, and I do not think I had more than 15 minutes of the hour and 10 minutes.

Mr. POMERENE. May I ask the chairman of the committee one question? Is he going to insist seriously on section 2 in its present form?

Mr. GRONNA. I wish to say to the Senator from Ohio in all candor that there are members of the committee who are very strongly in favor of the section.

Mr. POMERENE. I wish to say that the first section of the joint resolution has my sympathy, and so far as I know now I expect to vote for it; but I do not like to move a wrecking train into the Federal Reserve Board at this time, and that will be the effect of section 2 of the joint resolution.

Mr. GRONNA. The Senator realizes that there is a great deal that may be said with reference to the action of the Federal Reserve Board.

Mr. POMERENE. That may be.

Mr. GRONNA. Every Senator here and every man in the country who has had any business to transact knows that farm paper has been ineligible—and we might as well speak plainly.

Mr. POMERENE. I am in sympathy with the Senator again in wanting to help along the cause of rural credits, and I am going to help that along to the best of my ability, but I am not going to help wreck the Federal reserve banks, if I can prevent it.

Mr. GRONNA. May I say to the Senator that we are not charging the Federal Reserve Board with any violation of the law, or even violation of rules. We are simply directing. The Secretary of the Treasury in all kindness, when he was asked by the Senator from Mississippi [Mr. HARRISON] what he would do, made the very courteous reply to the committee, "If you will direct me to do so and so," I think he said we would be glad to do it. It is not a criticism of anybody.

Mr. GLASS. The response of the Secretary of the Treasury had reference only to the resumption of the activities of the War Finance Corporation, and not to the implied criticism of the Federal Reserve Board.

Mr. GRONNA. There is no criticism of the Federal Reserve Board.

Mr. GLASS. Oh, there is a very direct criticism of it, a very unjust criticism of it, and a criticism that is not based upon the facts.

Mr. GRONNA. The Senator from Virginia has a right to his opinion, and I have a right to mine.

Mr. GLASS. Precisely.

Mr. GRONNA. I shall be glad at some future time to discuss the question with the Senator from Virginia, and would do so now if it were not my desire to have the joint resolution acted upon at this time.

Mr. POMERENE. I am not prepared to say that the Federal Reserve Board has done all that it ought to do. Perhaps it has done some things it ought not to have done; but I am perfectly clear in my own mind that the Federal Reserve Board can handle the business of the Federal reserve banks a vast deal better than the Congress of the United States.

Mr. HEFLIN. Mr. President, no one else has suggested a situation that I have in mind, and I feel that it is important just here to bring it to the attention of the Senate. I shall not now discuss the wisdom or unwisdom of the ruling of the Federal Reserve Board in raising the rate of interest this year

above that charged last year. We obtained money last year at 4½ per cent in the cotton-growing States, and the banks that handled the cotton business and other agricultural products made a little money in handling the agricultural business of our section. This year the rate of interest was raised to 7 per cent, and banks in Alabama could only make 1 per cent in handling such matters, our legal rate being 8 per cent. The increased interest rate had a similar effect in other States of the South and West. The effect of that in the South and West was that call money having gone up to 12 per cent and higher in New York, money seeking the place where it could earn the most interest went—a great deal of it—from those sections to the speculative centers, where the higher rate of interest was paid, and the speculating interests of New York have had all the money they desired to use on the exchanges in beating down the prices of agricultural products.

Mr. President, I am not charging that the Federal Reserve Board raised the rate of interest for the purpose of keeping money out of or driving money out of the South and West at the crop-moving time—the time that it was needed most. I am merely relating what really happened to the business of the farmer in the South and West, and I feel that Congress has the right to instruct, and I intend to vote to instruct or direct the Federal Reserve Board to go directly to the rescue of the farmers of the country immediately because they are in dire distress. We are seeking to deliver them from the sharks and speculators who take advantage of their distress and profit by their misfortune. It is no reflection upon the Federal Reserve Board for Congress to specifically direct its attention and activities toward a matter of such grave importance as preventing the useless and criminal loss of billions of dollars to the farmers of the United States. That is what I felt should be said at this time, Mr. President.

Mr. GRONNA. Mr. President, in view of what has been said by many of the distinguished Senators and with the assurance they have given us that they will be willing to let this measure come to a vote on Monday, probably about 3 o'clock, or probably a little later, I move that the Senate take a recess until 12 o'clock Monday.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, December 13, 1920, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, December 11, 1920.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit, Father of all souls, draw near to us as we draw near to Thee; inspire us with great thoughts that in all our efforts we may strive to fulfill Thy desires; let Thy kingdom come in all hearts, that wrongs may be righted and brotherly love obtain throughout this perturbed world; that peace may possess our souls and make the world a safer and happier place to dwell in. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT FOR THE HOLIDAYS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns on December 23, it adjourn until Monday, December 27.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns on Thursday, December 23, it adjourn until Monday, December 27. Is there objection?

Mr. GARNER. Reserving the right to object, this request contemplates an adjournment from Thursday until Monday?

Mr. MONDELL. Yes; so as to give Members one day to get home and one day to return after Christmas.

Mr. SNELL. Is that all the vacation that is intended to be taken at the holiday season?

Mr. MONDELL. That is my thought. I have talked with a good many gentlemen on both sides, including the leader on the Democratic side.

Mr. SEARS. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from Florida makes the point that no quorum is present. Evidently there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

Accordingly the doors were closed and the Sergeant at Arms was directed to notify the absentees.

The Clerk called the roll, and the following Members failed to answer to their names:

Andrews, Md.	Ferris	Kreider	Robinson, N. C.
Anthony	Fish	Lea, Calif.	Romjue
Bacharach	Freeman	Loneragan	Rose
Baer	Fuller, Mass.	Luhling	Rouse
Blackmon	Gallagher	McCulloch	Rowan
Booher	Gallivan	McDuffie	Rubey
Britten	Gandy	McFadden	Sanders, Ind.
Browne	Godwin, N. C.	McKenzie	Sanders, La.
Brumbaugh	Goodall	McKinley	Sanders, N. Y.
Caldwell	Goodwin, Ark.	McLane	Sanford
Candler	Gould	McLeod	Scully
Cantrill	Graham, Pa.	Maher	Sells
Casey	Greene, Mass.	Mann, S. C.	Sims
Chindblom	Hamill	Mason	Sisson
Christopherson	Hamilton	Mead	Smith, N. Y.
Clark, Fla.	Hersman	Merritt	Snyder
Classon	Howard	Mooney	Steele
Costello	Hulings	Morin	Stevenson
Crago	Hull, Iowa	Nelson, Mo.	Stiness
Cramton	Igoe	Nelson, Wis.	Sweet
Crowther	Ireland	Nolan	Taylor, Colo.
Currie, Mich.	James, Mich.	Patterson	Tinkham
Davis, Minn.	Jeffers	Phelan	Vare
Dent	Johnson, Ky.	Rainey, Ala.	Volk
Donovan	Johnston, N. Y.	Ramseyer	Walters
Dooling	Kahn	Reber	Whaley
Doremus	Kennedy, Iowa	Reed, N. Y.	Wise
Drane	King	Reed, W. Va.	Young, Tex.
Emerson	Kitchin	Riddick	
Evans, Nev.		Riordan	

The SPEAKER. Three hundred and thirteen Members have answered to their names. A quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns on Thursday, December 23, it adjourn to meet on the following Monday, December 27. Is there objection?

Mr. GARD. Reserving the right to object, what is the proposition as to the session on New Year's day on the succeeding Saturday?

Mr. MONDELL. I want to take that matter up with Members on both sides before making any request, because I am not certain what the view of the House might be.

Mr. GARD. Would it not be well for the gentleman to take it up before making this request, so that the two may be considered together, and that we may know definitely in regard to it?

Mr. MONDELL. I think the only question as to the following week is whether we shall adjourn from Friday until the next Monday or from Thursday until the next Monday, as we propose to do on Christmas.

Mr. GARD. The plan would be to adjourn from Friday or Thursday to the following Monday?

Mr. MONDELL. Yes.

Mr. BLANTON. Reserving the right to object, will the gentleman from Wyoming also promise that gentlemen may have one day to get home, New Year's at home, and one day to get back?

Mr. MONDELL. I find that some of the Members with whom I have talked are of opinion that we should not have the extra day at New Year's, but I am not going to make a request with regard to that until I have talked with more Members.

Mr. BLANTON. Mr. Speaker, that leads me to this question: There are unfortunate Members who live in parts of the United States where it takes more than one day, two days, or even more than three or four days to get home, and more than three or four days to get back. Has the gentleman from Wyoming anything in his mind with reference to Christmas presents and New Year's presents for those unfortunate gentlemen?

Mr. MONDELL. I belong to the class, so far as my geographical location is concerned, to which the gentleman refers. I never go home at Christmas vacation, because the distance is so great that even with a longer vacation there is no time.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming? [After a pause.] The Chair hears none, and it is so ordered.

IMMIGRATION.

Mr. JOHNSON of Washington. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the immigration bill, with Mr. TILSON in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. When the committee rose yesterday evening there was pending an amendment offered by the gentleman from Illinois [Mr. HENRY T. RAINEY].

Mr. RAKER. Mr. Chairman, I rise to oppose the amendment.

Mr. VAILE. Mr. Chairman, I rise to oppose the amendment.

The CHAIRMAN. The gentleman from California is recognized.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the amendment now pending offered by the gentleman from Illinois [Mr. HENRY T. RAINEY] be read for the information of the committee.

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk read as follows:

Amendment offered by Mr. HENRY T. RAINEY: At the end of line 15, on page 3, insert a new provision as follows:

"5. Bona fide farm laborers who may enter the United States solely for the purpose of engaging in labor on a farm or farms or in a truck garden or truck gardens, and upon the completion or discontinuance of such employment they shall not be entitled to remain in the United States."

Mr. RAKER. Mr. Chairman and gentlemen of the committee, it is a delightful thing that one can differ with a man's views and ideas and still be the warmest friend of the author of a proposition. That is my attitude in respect to this amendment. The statement by the proponent of the amendment that there should be cheap farm labor to my mind is a statement of something that can not and should not exist. There can not be such a thing in the United States as cheap farm labor if we use that word to mean that we are to obtain labor from foreign countries that will come here and work more cheaply than American citizens who now live upon those farms. Such a thing would be disastrous to the farming interests. It would be disastrous to the city interests, and, far and above all, it would be disastrous to our country. If you permit a class of cheap farm laborers to come in, and that is the purpose of the amendment, you would then make the condition on the farm such that the American citizens there to-day would leave the farm because of the cheaper labor employed upon the farm which would be imported from foreign countries, and the American citizen, the boy and the girl raised on the farm, would go to the city.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Not at present. No such condition as I picture should be permitted in this country. The farmer should be able to receive enough from his produce, no matter what his farm produces, so that he can pay his laborers, his own boys, his own daughters, or the sons and daughters of his neighbors a fair, remunerative wage, so that they may live as American citizens, and the amount of wage should be as high as the wage in any city of the United States.

Mr. LAYTON rose.

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Delaware?

Mr. RAKER. I decline to yield at present. My second proposition is that it would produce a congestion in the cities. If there are higher wages in the cities, necessarily it will induce the farm laborers to leave the farm and go to the cities more than is the case at the present time.

The reasons which I have given are incidental, temporary business matters, and, while they are to some extent important, they are not important as compared to the vital question involved in the adoption of such an amendment. To adopt this amendment would engraft upon the laws of this country a slavery, a serfdom, a peonage that does not even exist in the Old World, and clearly we can not establish a policy of that kind here. Let us read the amendment. It provides:

And upon the completion or discontinuance of such employment they shall not be entitled to remain in the United States.

Let us say that a man comes over here to labor on the farms. He is a live, robust man. He may make a good citizen, but he has come for the purpose stated and must after the employment of that season or that year on the farm leave or he will find himself unlawfully in the United States. Second, he might bring with him his wife, and after the termination of that employment the wife and the man would be compelled to leave, while in the meantime there may have been born to that family an American citizen. You are then compelled—and under this law it could not be done—to take from this country by deportation this laborer on the farm with his American-born child. Third, there is no inhibition with respect to his marrying while

here. He might marry the daughter of a neighboring farmer, if you please, or he might marry a laboring girl who came here, and from that union there might be born an American citizen. Upon the completion or the termination of that employment this man and woman must leave the country, and this American-born child, who has the same right as any other American citizen born in this country, sees its father and mother deported, it being left here an infant from 3 to 5 years of age.

Can such a piece of legislation be enacted by the American Congress, and can we then say that we stand for equality and right, for the development of humanity? I want to say to you that the farmers of this country are not demanding that kind of legislation. They are not seeking cheap, low labor. They are seeking a high class of labor. They are seeking American citizens who can do their work and who will do their work, and when they have worked sufficiently upon the farm, a sufficient length of time, they go out to school or into some other business.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to speak for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAKER. After their labor has been completed, instead of being deported, they should be permitted to acquire land, to acquire additional farm land, to become a part and parcel of the country, to be naturalized, to be American citizens, to assume all of the rights and responsibilities and duties of an American citizen. I want to say to you that I do not believe this country will ever inaugurate by an act of Congress a system of peonage that does not exist in the most barbarous countries of the world to-day. I submit that this amendment for every reason should be defeated.

Mr. SUMNERS of Texas. Mr. Chairman—

Mr. JOHNSON of Washington. Mr. Chairman—

The CHAIRMAN. The gentleman from Washington, chairman of the committee.

Mr. JOHNSON of Washington. Mr. Chairman, I would like to ask unanimous consent that debate on this amendment be closed.

The CHAIRMAN. The gentleman from Washington asks unanimous consent that debate on this amendment be closed.

Mr. GREEN of Iowa, Mr. McARTHUR, and others. Mr. Chairman, I object.

Mr. JOHNSON of Washington. Let us see if I can make an agreement. Mr. Chairman, I will withdraw my request.

Mr. GREEN of Iowa. Mr. Chairman, I favor this amendment. I do not favor this bill, and yet I accept it as the best that can be done at this time, because I believe immigration ought to be checked. I think and have thought that instead of a wholesale stoppage of immigration we should have a bill imposing a definite system for keeping out the undesirable classes.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. GREEN of Iowa. I am unable to yield to the chairman; the chairman has had an abundance of time. If we had such a bill as that I would gladly support it. In default of it I shall take this bill with what amendments we can get. There never has been a time in the history of this country, in late years at least, when there was enough farm labor. It will not be possible to obtain it if this amendment is carried, and yet it is the very class we want most. The evils existing under the present system arise largely from the fact that the immigrant crowds, I might say herds, in the large cities. There he remains in communities by himself, where often he does not even have an opportunity to learn the language of this country, much less its customs and ways, and he never becomes Americanized. The farm laborer goes into a community, where he is surrounded by the American spirit that exists on the part of the American farmer and shortly becomes Americanized and becomes one of the best citizens we have. This is always the result. Gentlemen talk about the evils that might result from this amendment. We have this permission now and none of these evils have existed by reason of farm laborers coming in. On the contrary, we found it necessary in order to get certain kinds of work done that the Secretary of Labor should issue permits to bring in certain kinds of labor in order that that work might be done at all. These laborers have been permitted to remain in this country only so long as they continued at certain kinds of farm labor. Refuse to pass this amendment and that work will not be done. Certain kinds of food that ought to be cheap in this country will be high without any corresponding profit or benefit to the farmer. This amendment, Mr. Chairman, would help this bill greatly. It permits the very class we need most to come into this country and no harm could possibly come

from it. All the provisions of the present immigration law as it now stands are reserved in the closing clause of the bill, and the fears of the gentlemen that an undesirable class would come in have no force, because they would be prevented by this provision. As a matter of fact, no such results have obtained in the past, and therefore, Mr. Chairman, I favor the amendment and hope it will be adopted.

Mr. CARAWAY. I want to discuss this amendment. I have no doubt if it should prevail and the bill finally becomes a law and under its provisions immigrants should come to these United States and become farm laborers every man who employs one of them could be convicted of the offense of peonage. If not, I do know this, that a condition of serfdom nearly akin to slavery could be established in this country. I know if that class of foreigners were brought to this country to work on farms with the restriction that they could engage in no other occupation under the penalty of being deported that you could establish peonage in this country that for effectiveness would amount to actual industrial slavery. If a man should come here and be permitted to work on the farm, but denied the opportunity of engaging in any other occupation, under the gentleman's agreement among farmers that one farmer would not employ another farmer's help, they could reduce that man to such a state of peonage that he could actually transfer title to that immigrant with the title to the land on which he labored. [Applause.] Many States have laws against enticing labor. If you go to one man's place of business or to his farm and hire his help away, you have committed a misdemeanor, and upon conviction can be fined and imprisoned. Under the laws of those States, if this bill were to become the law, a laborer who had come here subject to its provisions were to become a farm hand in that State, since no one could entice him away—that is, hire him away—from his employer, and since he could not engage in any other kind of occupation, he would be a mere chattel. The Constitution, however, would annul this law. It provides that no man can be held to involuntary servitude, except upon a conviction by a court of competent jurisdiction for crime, and this would be involuntary servitude, under penalty that every man who did not submit to it would be deported. Under it families could be divided, fathers be taken from their children, husband be taken from his wife and children, and sent into some foreign country. All this could and would befall him unless he submitted to employment upon a farm and some particular farm. Necessarily an agreement would grow up that his employment should be always by the first man with whom he was so employed. I am astonished to find that the advocates of this amendment come from that section of the United States that so bitterly opposed slavery when it was an institution in the South. [Laughter and applause.]

Mr. WILSON of Louisiana. This amendment?

Mr. CARAWAY. This amendment. There is not a man living south of Mason and Dixon's line who is going to vote for this amendment, and no one seems to be opposed to it who lives north of that line. [Laughter and applause.] I am glad you gentlemen applaud it. Let me tell you something else. I believe every one here wants to help the farmer if he can. I think also 90 per cent of the membership of this House were reared on the farm, and it is a great pity most of us got off of it. [Laughter and applause.]

Mr. McARTHUR. For the farms or the country?

Mr. CARAWAY. For the country. If we really want to legislate for the farmer's benefit, instead of giving him laborers give him markets. There is not a farmer in America who is not crushed by economic conditions. Yet we stand here pretending that we want to legislate for him. If we really want to legislate for him let us bring out some measure to give him markets and protect him from the people who exploit him every year.

Fourteen times before we harvested a grain of wheat this year the speculators had sold the crop, and every man made a profit out of it except the man who grew it. The gamblers have sold the cotton crop over and over again in New York and New Orleans at a profit, but the men who labored through all the heat of summer to produce it have now to give it away in order that these speculators can enjoy the profits of his labor. If we want to legislate for the farmer let us get this bill out of the way and do it, and not merely pretend we are doing something for him. I want to close the gambling exchanges, stop exploiting farmers, stop sitting supinely by while he perishes. Give the farmers markets and a square deal. But returning to this measure, instead of limiting immigration for 2 years, I am willing to make it 20. I do not deny that desirable citizens of America have been born in foreign countries and have come here good men; but I do deny they are any better than the American-born citizens, and we have as many

citizens here now as we need. I am not crazy to exploit every resource of this country during our lifetime. I wish to leave some of the resources of this country to our children and our children's children who come after. I have no patience with those who cry out all the time for an increased population, and do so solely that they may grow rich off of the unearned increment of the increase of population. This is an American bill. [Applause.] If the condition of people in the country of their birth is bad, I am sorry, but still I am not willing to destroy our own institutions and to take from our children the opportunities that our fathers through their foresight and their sacrifice created for us. This heritage was handed down to us by our fathers, and I hope we may have the patriotism and the courage to hand it down to our children and our children's children unimpaired. [Applause.]

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman and gentlemen, I think most of us must realize the truth of the statement made by the gentleman from Arkansas, that any provision of the kind that would bring labor into the United States to be bound to a certain task at a specified place would create a peonage system, which we can not afford to even think of adopting.

Dismissing that, I ask the attention of the Members to a statement which I think must be made. Perhaps the statement should come from the Committee on Foreign Affairs, but even if it comes from the chairman of the Immigration Committee, it may advise Congress and warn the country that the exodus from central Europe is serious and dangerous. The State Department knows this to a certainty. That department has handed to me enough paragraphs from its consular officers for use in this report on this bill to serve as a warning. Because certain consular officers report an excess of Jews seeking passport visés at certain places this bill has to be assaulted as an anti-Semitic bill. It is not. I care not whether the influx is Jewish, Moslem, Pagan, Buddhist, Christian, or what not. The country does not want it. It brings too many who are anti-Government and anti-God. We do not want Japanese, Chinese, Hindu, Turk, Greek, Italian, or any other nationality until we can clean house. [Applause.] While engaged in that work we do not want any more bread lines than we can help. I warn you that this country can not stand this influx.

The immigration coming now is the most undesirable that ever came to the United States. Look out! How strange it is to hear men on the floor favor this influx, to see them oppose this bill, and then to hear them beg for provisions that would deport them for attending some school like the Rand School!

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Washington. Mr. Chairman, I ask unanimous consent for an additional five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. I do not care so much one way or the other about the cutting of the suspension period from 22 to 14 months. This bill is a stopper. It is proposed as a stop-gap proposition. The passport regulations, if you consider we are acting under them, will die with any declaration of peace. The extension of the war-passport business dies with this Congress. You have got nothing then to put up against your influx of immigration except the literacy test and certain health regulations.

I have said that this bill is a stop-gap. It is not an effort to write an entirely new immigration act. But even those who want something done propose amendments as if this were an effort to write the whole law over again. The members of the committee have gone as far as they could to meet objections. Listen to this debate and then you can tell the country why we do not get needed immigration legislation. While considering an immigration bill you can discuss the matter of farm labor for hours and still be not out of order.

Gentlemen, has the United States come to the point that each citizen must have his own serf on his farm, or in his factory, or in his home? Every problem that is proposed has run through the committee. You see the samples of debate on the floor.

The Nation cries out through the press, from the Los Angeles Times, on the Pacific coast, which is not a labor paper, to the Saturday Evening Post, of Philadelphia, on the Atlantic, as well as the papers in between, both great and small, to do something to stop the influx. But when the time comes to do it each one of us has a pet amendment, and although we are friendly to the effort to stop the influx, we weaken the proposal. [Applause.]

Before this measure shall have been many days in the committee of another body this country will have some additional

reports from State Department officials. Before this bill can be made into law you will see ships coming into Ellis Island with immigrants hanging over the edges. Some ships have established fourth-class steerage rates. Go to Ellis Island and look at the conditions, visit the immigrant ships and see the conditions that prevail. See how bolsheviki and discontents can be made overnight.

Fail to pass this bill and you will not have even passport restrictions after March 4. Fail to pass this bill and then reach peace and you will add to our immigration all the Germans, Austrians, Hungarians, Bulgarians, and Moslem Turks who can raise the money to buy steamship tickets.

Go to the State Department, Congressmen, and read the reports for yourselves. [Applause.]

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized.

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, this amendment from the standpoint of its philosophy, with due respect to its author, is the most remarkable proposition, in view of the experience of this country, that I have known in all my time in Congress. We of the South tried the experiment of bringing into this country people to do our physical labor. Through generations to come we shall pay the penalty for violating that great law of life which God Almighty announced to Adam at the gate of the Garden of Eden. [Applause.]

Now, what is proposed here? Is it to bring these people here and give them the boon of American liberty? No; but to make them do our physical labor. That is the proposition; that is the first proposition. It is un-American and unsound, as measured by the experience of the races of men in the realm of government.

Now, another proposition: They propose to put this cheap labor into competition with the man who is trying to build a little home out in the country. There is no getting away from that. We know that the foundation of government is the owned home. No government can be stronger than its foundation. What do we propose to do? We propose to bring these peoned men here from Europe, and if a man has a little 25 or 30 acre farm, place him in competition with a man who with this cheap labor is operating a farm of some hundreds or thousands of acres. These farm homes are the strength of government in the country. The strength of government there is not represented by the big landowner who lives in town and rides around in his automobile. I have no prejudice against those folks. I own a pretty good size farm myself. I am not speaking for or against a class. I speak for my country now. We know that the strength of this country has its fountain head in the rural district. We know that. Now, we propose to-day to let the man with two or three thousand acres of land hire this cheap labor and put it in competition with the man who is raising a family on his own little farm.

There is no getting away from that. Anyone who has any sense knows that. What will be the result?

The result would be to drive from the farm the bright American boy, send him to town, and fill his place with a man who has the badge of peonage on him, who will hate the country because it will not permit him to engage in avocations that are more remunerative than farming. In the name of common sense, gentlemen, what are we driving at here? Pardon a personal reference, but I want you to know that I know what I am talking about. I own, as I said, a farm. It is paid for. I have a neighbor of good old American stock. He was formerly a tenant; by industry and economy he got together enough money to make a payment on a farm. He is trying desperately to pay for it and to give to his children enough education to make them intelligent, useful American citizens. I have three other neighbors, my personal friends, owning large tracts of land, who live in the city of Dallas. Pass this amendment and we can fill our places with this cheap European immigration, hire overseers, and make money selling our produce at a price which would wipe out every hope that this other farmer ever had of paying for his farm. One of us could buy that farm, and probably would buy it, and we could hire some more of these peons to work it. Not only is that true, but it would drive away the tenant of American citizenship. On my farm there is a man of good old American stock, whose ancestors have fought the battles of this country and supported its institutions since the beginning of the Government. He is raising a fine family, who work in the fields; a credit to any community. This family loves the country and is needed there. Pass this amendment and if I should follow the suggestions of my self-interest, I would dispossess this man and send his family away, to what place I can not guess, and put an overseer in his place. Wouldn't that make a fine country! What

sort of response do you suppose we would get from such people as that in the hour when it became necessary for the defense of the Nation that it call for the rendition of the supreme service and the supreme sacrifice? I have no prejudice against my neighbors who live in the city where I live. They are my friends, but it is the man, the real farmer, living on his own farm, who constitutes the great national asset and not the absentee landlord, who lives in the city. I am not trying to serve my friends. I am trying to serve myself. I am trying to serve my country and guard the fountain head of its strength against this proposed pollution.

You talk now about not having people enough to produce our food. We have produced this year enough to bankrupt the farmers of this country, and we know it. Are not prices cheap enough now? What peculiar right have these town folks? If they do not want to pay the price now, let them go out and go to work and produce these things for themselves. [Applause.]

That old idea that we have that we must have somebody else to do our work should be dismissed from our thoughts. I want to tell you that the most serious mistake that you can make is to have the positions of manual labor held by those people, whose blood can not be bred into the generations to come, into the entire population. There is no question of doubt about that at all. Yet gentlemen come here and seriously propose that the positions of labor shall be held by people who have the badge of inferiority upon them and a limit set upon their possibilities of service in this country. I say with all due respect to the distinguished gentlemen who are advocating this amendment, it is a most remarkable proposition, in view of the experience of my own people.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SABATH. Does the gentleman know that last year—

Mr. SUMNERS of Texas. I yielded for just a question.

Mr. SABATH. A large delegation of citizens of the gentleman's State appealed to the committee so that they would oppose legislation to suspend immigration in order that that imported labor could be used on the farms of that State?

Mr. VAILE. I want to say that the gentleman now addressing the House was not one of that delegation. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent for two minutes more.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes more.

Mr. SUMNERS of Texas. I do not mean to be discourteous.

The CHAIRMAN. The gentleman from Illinois [Mr. SABATH] asks unanimous consent that the gentleman from Texas [Mr. SUMNERS] may proceed for five minutes more. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Gentlemen, I am not here to-day to represent any large or small delegation of people from anywhere on earth. I stand here with my responsibility as a Representative of the American Congress to the best of my ability representing my Nation. [Applause.] I am representing my Nation to-day.

Now, let us see what is proposed. Let us see the situation. Take this picture: Here is the country out here. Here is a man who has two or three hundred acres and here is another man who has 25 acres, but he has some strong, clear-eyed American boys who hope for that day when they can make enough to buy another 25 acres at their daddy's side, and they hope to do that out of the earnings they will make from the sale of their daddy's products. What do you propose to do? You propose to bring peons here to work on the farm of the fellow who owns the automobile, who will be able to produce commodities at a price that will make impossible the realization of the ambition of those clear-eyed American boys. That is what you propose to do. [Applause.]

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SABATH. Does the gentleman know that the bill makes it possible to bring in that kind of labor that the gentleman objects to, from Mexico and Canada and Newfoundland?

Mr. SUMNERS of Texas. I am speaking to the pending amendment.

Mr. VAILE. If the gentleman will pardon me, the bill does not do that.

Mr. SUMNERS of Texas. The vote is going to be on this amendment.

Mr. VAILE. Will the gentleman allow me to answer the gentleman from Illinois?

Mr. SUMNERS of Texas. No; because I want to beat this amendment. [Applause.]

Mr. VAILE. The situation is in good hands. [Applause.]

Mr. SUMNERS of Texas. Now, gentlemen, I speak as a southern man, and I have a right to be heard here, because I know what I am talking about. A few years ago I asked a man who lived in one of the old Southern States how many of the sons of former landowners and slave owners owned land in his county, and he said he did not know of but one plantation that was not owned by the sons of the overseers and the sons of the "poor white trash." That is the sort of penalty a people has to pay when they think that somebody is a little too good to work. It is the greatest curse that ever came to a nation on this earth when it gets into its head that it has to have a "laboring class." I was talking to a man from New England a little while ago, and he said, "Who is going to build our sewers?" Do you think they have sewers only in that part of the world where the people are able to import somebody to dig their sewers?

You will not let these people come into the towns. Why? Because you are afraid of organized labor. [Applause.] That is the plain truth about it. If there is any philosophy resting under this bill, why do you propose to let them come into the country? Because you are not afraid of the farmer. All you expect to have to do at the next election time is to go out there and soft soap him and "honeyfuge" him, and tell him of the things you are going to do for him, and ask him about the turnip patch and the old gray mare and about the boy who had a stone bruise on his heel when you were at his house last year. [Laughter.] That is what you think. But the time has come, gentlemen, when agriculture can no longer be considered as an inexhaustible commissary to feed business, but it must be recognized as a business in itself, and we have got to deal with agriculture upon this proposition, that agriculture must bid for every boy on the farm against every industry in the country. In the name of common sense, how do you expect agriculture to hold enough of our own people in that place which I say, in the light of human history, is the breeding ground of the Nation and the fountainhead of its strength? [Applause.] But you propose to drive them out and to fill their places with folks whom you are not willing to have live in town. That is what you propose by this amendment. Think of it. You propose to drive them out by these imported hordes from Europe, by the people whom you are not willing to have live in town. You propose to destroy every hope of every country boy who has a poor father of living there and making an honest living in the country, and eventually of building there a home for his own wife and his children. There is no other conclusion than that. Why do you want these people? You want them in order to reduce the price of farm commodities. What is the effect? It will reduce the ability of agriculture to bid against industry in order to hold enough of our own people to produce the meat and bread to keep our people alive. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. McARTHUR. Mr. Chairman, I rise in opposition to the amendment. I am in favor of this bill, and I am opposed to this amendment. I am not going to discuss the points that have been so thoroughly covered by a number of gentlemen who have preceded me, but there are one or two features of this amendment that I do want to call to the attention of the House.

In the first place, there is no necessity for an influx of farm labor into the country at this time. In the issue of the morning Oregonian which came to me this morning I read that there are 10,000 idle men in the city of Portland. Those conditions obtain throughout the country. We will have an ample supply of farm labor in this country to take care of our agricultural necessities if some of the men who are bound to live in town will go out in the country and help grow the crops and tend the cattle ranges and the sheep ranges.

Now, there is one other point, and then I am through, and that is this: If we make this exemption and if, for example, 25,000 of these laborers are admitted to go on the farms, we will soon have a demand from the Department of Labor for about a thousand or more deputies, Government agents, and spies to keep watch on these fellows. Let us not set up a class of labor in this country that has to be watched by Government officials, so that when it is out of a job it has to be deported. We have enough people on the Government pay roll at this time. Let us not bring about a condition that makes it necessary for us to hire hundreds and perhaps thousands more Government employees and add to the expense of the taxpayers.

Mr. LAZARO. Will the gentleman yield?

Mr. McARTHUR. I will.

Mr. LAZARO. The distinguished chairman of the Committee on Rules [Mr. CAMPBELL of Kansas] the other day in presenting the rule called attention to the fact that later on a tariff bill would

be brought in to exclude foreign products from competition with American products. Now, if that is true, can a Republican Member of the House from an agricultural section consistently vote for the Rainey amendment to permit foreigners to come here to this country and produce products made in competition with American farmers?

Mr. McARTHUR. Mr. Chairman, that involves a very wide range of discussion which is not germane to this amendment. I see the smiling countenance of my friend from Kansas [Mr. CAMPBELL], who is undoubtedly capable of answering the question himself. I hope the amendment will be voted down. [Applause.]

Mr. JONES of Texas. Mr. Chairman and gentlemen of the House, I do not intend to cover the ground that some of the others have covered, but I want to call attention to this effect of the amendment offered by the gentleman from Illinois. The amendment would allow any and all immigrants from European countries, without limit, and makes no provisions for keeping them on the farms. In order to afford any appreciable relief to farming conditions in this country it would be necessary to have thousands or hundreds of thousands of laborers, and it would be as impossible to keep those people on the farm as anything that you might conceive. If you permitted hundreds of thousands of people to come into this country under the guise of laboring on the farms, you would be forced to increase the number of Government officials a hundred thousand in order to keep watch on those people and keep them on the farms, because our experience with immigration has taught us that there are men who make it their business to get people into this country who have no funds with which to meet conditions that they find when they arrive here, and, of course, they drift right into the cities. The moment you turn a lot of people loose on the farms you would have them leaving the farm and going to the city at once, and you might just as well strike out the enacting clause of this law as to pass this amendment. This amendment would simply operate as a subterfuge to get unrestricted immigration. I see no reason for making any exception of this character, for, as my colleague so well pointed out, if you made the exception and put them on the farms, and even though you could keep them there, you would simply enable temporarily a few men to go on the farms, and you would soon have a worse condition than ever. There are some people who want the price of farm products gauged down to the basis of cheap labor, and that is what those who are opposing this bill want.

I am in favor of a law which will keep out the flood tide of bolshevists, anarchists, and bomb throwers, who are anxious to spread their poisonous doctrines throughout this country. If a bill is not passed, millions of immigrants will sweep over this land and our institutions as well as form of government will be in danger.

Much has been said on this floor about making farm life attractive. Now, to my way of thinking, the way to relieve the condition on the farms of this country is not by trying to make farm life more attractive, as some people say, by giving them some of the modern conveniences, but the way to relieve the condition on the farm is to make farm life profitable, to furnish the farmer a market, credits, a chance to dispose of his products, and then the conveniences will come in the ordinary course of events.

The thing I want to call your attention to before I sit down is this, that I can see no reason for cutting the period of the operation of this law from two years to 14 months, as is provided by the amendment of the gentleman from Illinois. [Applause.] My friend from Washington said that it was in the nature of a fill in, while other legislation might be prepared. Now, we do not want to be put in the position at the end of this year in which we will have to consider other rush legislation to fill in again.

Mr. JOHNSON of Washington. Will the gentleman yield; will the gentleman accept the reason now?

Mr. JONES of Texas. In just a moment. Here is what I want to say, why not make this law operative for a longer period and if a new bill is ready in the meantime we can pass it, and that will, by implication, repeal the law we are now making? Sometime ago we passed a law, and now we are passing a filling-in law. What is the use of cutting it down to 14 months and limiting its operation while we are preparing a new law? Why not let it run two or three years, at least, and if we get a bill ready sooner we can enact it, and either by express provision or by implication repeal the present law? [Applause.] For that reason I hope some member of this committee will call for a record vote, and a separate vote, on the amendment of the gentleman from Illinois, and I hope that amendment will be defeated and the bill be permitted to

remain as it was originally when brought before the House. [Applause.]

In view of the fact that the farmer and his problem have been brought into this debate frequently, I desire to have read from the Clerk's desk the following resolutions, which were passed at a mass meeting of farmers:

PAMPA, TEX., December 5, 1920.

Hon. MARVIN JONES,
House of Representatives, Washington, D. C.

DEAR SIR: A mass meeting of farmers held in this city in connection with the meeting of the National Wheat Growers' Association December 4, 1920, passed the following resolutions by unanimous vote and ask that the same be read and printed in the CONGRESSIONAL RECORD:

"Resolved, That it is the sense of this meeting that the policy now being followed of withdrawing money from circulation is too radical and is of doubtful benefit;

"Resolved, That whereas the price of wheat and other grains have reached a price far below the cost of production, thus bringing loss and demoralization to all farm industries, the price now obtainable we fully believe to be fictitious, brought about by cunningly devised exploitation through the Grain Exchange of Chicago, we therefore ask that you use your best efforts to obtain absolute facts as to the good or evil of gambling in grain futures. If, as we fully believe, the effect is harmful to the public, then we respectfully ask that you seek a remedy; be it further

"Resolved, That you use your influence and vote for all measures that will legitimately benefit farm industry in this country. We do not hesitate to say that it is our opinion that the agricultural interests of this country should be afforded the same consideration that is extended to other industries of much less importance."

Praying your assistance in our behalf, we most respectfully submit the resolution as adopted for your consideration.

NELS WALBERG, President.
C. C. DODD, Secretary.

I also desire to insert here a discussion of this problem from the pen of Mrs. Warner:

BACK TO THE FARM.

[By Mrs. Phebe K. Warner.]

"Good-by, ma. Good-by, pa.

"Good-by, mule, with your old hee-haa."

This is the song our farm boys sang just four short years ago. Then turning their backs on the barn door and the kitchen door they faced their doom with the other millions to make the world safe for democracy. The mothers and sisters on the farm dried their tears with their aprons till their soldier sons disappeared beyond the horizon—to join the nearest training camp. Then with a courage never known before they turned their faces toward the fields. Food, food, food, was the cry that rang across the waters and around the world. The world must be fed. The world must have bread.

And the Government said, give us your boys and your bread and the Government will give you \$2 per bushel for your wheat. And with plenty of boys and plenty to eat we can conquer all the foes of the whole world. And the fathers and the mothers on the farm gave their boys, and they went forth into the fields to sow and to reap that they might help save the people and the Government. And they accepted \$2 per bushel for their wheat. After they had paid \$5 per day for every day of help they had had. And they hauled it to town and poured it willingly and gladly into the granaries of the Government.

And, behold, what did they do next? Across the Continent and out into every home in our Nation came the first, second, third, fourth, and then the victory call for Liberty bonds. And the farmers and their wives loved their sons and their neighbors' sons and their Nation's sons. And straightway they extended the mortgages on their farms and they paid the extra interest and the extra income tax and used the \$2 per bushel received for their wheat to buy Liberty bonds. Those who did not have wheat used their corn and cotton and cattle money to buy bonds. And they not only bought bonds, but in answer to every call for Red Cross and community service they went over the top and the World War was won by American men, American money, and American food.

And our Government at Washington arose and said, "See what we have done." What power, what loyalty, what obedience, what sacrifice! Truly, no other nation hath ever seen such unity of spirits as this. And the nations of the whole world, with one accord, turned their hopes for protection and care and food and clothing toward the farms of America. And the call went forth to the farmers, "Plant more, plant more. Turn up your clocks an hour. Get up earlier, work harder, and work longer, for the world is starving and the farmers of America must save the world else it perish." And the men and women on the farms heard the cry and they straightway went into the fields another year and planted more abundantly, and they labored longer and harder, because the harvest was so great and the laborers so few and high priced and inefficient. But they labored with a song of peace and joy in their hearts, because the war was over and they now hoped to not only help feed a starving world, but they hoped to sell the surplus crops for enough to pay the debts and mortgages that had been neglected to support the Government. And they hoped to send the boys and girls away to school, who had been held at home to take the place of the soldiers.

But, alas! In a moment, a most treacherous moment in the business life of the farmer, his hope was gone. His high-produced products took a fall. Cotton, corn, cattle, wheat, pork, and all, dropped below the cost price and left the loyal, overworked patriots of the farm with less than nothing to pay their neglected and accumulated obligations.

And to-day millions of farmers are wondering what has become of the Government they fought for, the Government they toiled for, the Government they sacrificed the very blood of their own sons to save? It saved others. We helped it to save other nations. Why has it forsaken its own? The faith of the present fathers in a government of the people, by the people, and for the people was never before so near the breaking point. What will it mean to this Nation to lose the confidence of its food and clothing producers?

Is it true that a government strong enough to conquer the world can not protect its own people from a few gambling rascals? The words "back to the farm" never meant less to our people than at this very hour.

Mr. LAYTON. Mr. Speaker, I desire to present only a brief statement of my views on the measure now pending before the House.

I shall vote for this bill with all that pleasure which comes from a conviction conceived by indisputable facts and nourished by calm reason. One of my chief gratifications arising from the presentation of this measure to the House is due to the fact that in effect it is a national declaration that this domain of ours is for our own use, and that in the future we propose to so regard it, and to jealously safeguard it. It is a declaration that all its beneficent opportunities and inviting conditions will be given or withheld at our own pleasure, subject to our duty to ourselves and that we safely owe to other people.

Ours is the only national domain in the world that seems to be regarded as belonging to everyone who desires to enter into it. This situation is due to the fact that in the past we have given an almost universal welcome to the people of every race and clime. This policy grew out of the unparalleled opportunities presented by a vast and rich domain singularly inviting to the adventurous and liberty-loving peoples of all nationalities, and so gave birth to the desire to develop this domain and to exploit its vast resources as rapidly as possible. This purpose has been wonderfully accomplished. While this policy, however, has given us a marvelously rapid development, the fact remains that we have become the most polyglot nation in existence and possess in our citizenship great numerical elements so diverse in social, religious, and political conceptions as to furnish a source of imminent danger to the country. The time has come, and is now at hand, when we should change our former policy of immigration. Owing to the chaotic conditions prevailing in humanity throughout the whole world, brought about by the war, with its resulting poverty, destruction of property, loss of opportunity, and the destruction of family ties, millions of people on the other side of the Atlantic and Pacific are clamoring for the opportunity to emigrate to this country. We are threatened by a veritable tidal wave of the discontented, the impoverished, and the unsettled populations of Europe and even of parts of Asia. This condition furnishes an immediate menace to our own welfare. Unless provided against, it will disturb labor and the housing conditions in our populated centers, now already overtaxed. It will increase to an alarming extent discontent through want and need and suffering, which, if not alleviated by national or community effort, will inevitably lead to disorder, crime, and hunger riots.

If we are to extend our present open-door policy into the future, there is a practical certainty that our Government will fall or, at least, become so tainted and contaminated by foreign ideas and purposes as to lose all of its original character and beneficence. The time has come for the country to proclaim in no unmistakable terms its intention in the future to safeguard its own citizenship with a more meticulous care than it has ever exercised in the past, and that its settled determination will be to admit into our citizenship no one who is not adaptable, who is not assimilable, and who does not furnish ample reasons for believing that this citizenship is eagerly sought after by reason of a real love for our Government and its institutions. Certainly the time has come to exclude all those whom we know by former experience have shown that they are not assimilable, and that they, while living under our flag, secretly cherish the flag of another nationality. Especially should that class be excluded who admittedly come to our country for the purpose alone of obtaining a higher wage, living, however, in the meantime at a lower level, with the fixed intention of saving all they can in order to return in a short time to their own country.

I take it for granted that there is no dispute as to the right of any country to say who shall and who shall not enter as an immigrant. This right is not only a matter of adjudicated international law, but if there had been no adjudication of such a principle, in the very nature of things it would stand out clearly as an axiom, inasmuch, by necessity, such a principle lies at the bottom of national sovereignty, and is a fundamental principle as well of national preservation. It is as distinctly true of a nation as of the individual home. The home is precious to the individual exactly in proportion as it is his, and his alone. If every passer-by can enter therein and claim the same privileges and rights as the owner of the home enjoys it would lose at once its crowning glory of peace and rest and security. For a long time to come we have enough foreign elements fusing in our national crucible to command our utmost attention. It is a question, a very grave question, whether we have not already too many.

Let us pass this measure at once. Let us shut out the horde that threatens to overwhelm us and earnestly bend all our efforts to amalgamating the foreign elements we already have

in order to make out of them homogeneous American citizens. There is no question that to accomplish this it will require all the energies we possess—national, State, and community. In conclusion, let me emphasize the fact that our first duty is to our own country. That is what we are sent to this House for. We are the Representatives of the American people, elected to safeguard their interests. We are not the Representatives of Poland, of the Balkan nations, or of Italy, or of Ireland, or of Japan. The war in Europe has undoubtedly produced a condition equivalent to a vast seismic disturbance involving social, economic, political, and even religious foundations. There either is or is not a menace to the United States from this source. If there is such a menace, we should stand together for the enactment of law that will safeguard our own country. I do not admire the attitude of those who are hostile to this bill and eventually will not vote for it, but who seek to limit its operations. Logically, it would be just as easy for Congress to repeal an exclusion act covering a period of 10 years as it would be to reenact the measure, if necessary, every 12 months. The debate so far reveals very clearly a greater devotion to constituencies than to the general welfare of the country, which of itself justifies a change in our national policy, at least until we have digested and assimilated not the average immigrant but those who sit in professional chairs and even occupy seats in this House. The man is blind who does not see that the Nation is suffering from acute indigestion, a national dyspepsia, induced by overloading the stomach of the body politic with a mass of indigestible stuff. We should exercise the greatest care in the future over this matter of immigration. The time has come to stop the silly prattling that this country of ours is an asylum for every man on earth, regardless of the effect upon the integrity of our institutions and the happiness and welfare of the people.

Mr. QUIN. Mr. Chairman, I did not expect to say anything on this bill, but when such an amendment is offered as is proposed by the gentleman from Illinois, to admit the whole scum of creation into the United States under the false pretense of lowering the price of farm products and benefiting the American Nation and American people, I can not sit silent.

To begin with, this ought to be a permanent law. Congress should go further and prevent all foreigners from coming into the United States to live. Our institutions must be safeguarded. I shall vote against the amendment reducing the time from 24 months to 14 months. This amendment now under consideration proposes to allow foreigners to come into the country on the pretense that they will be farmers. To my mind, that is almost an insult to the people of this country who realize the real situation.

All of the undesirable, congested city populations of Europe that would be obnoxious to the people of the United States and to the institutions of this country would pretend that they were farmers in order to come to the United States. All of them would certainly pretend to become farmers. Let us see; if they were legitimately allowed in the United States and to go on the farm to produce food and raiment, what would be the ultimate result? Every man who has this year raised wheat, corn, meat, cattle, and other food crops for sale has lost money, and every one knows that the farmers who have produced wool and the cotton and the sugar and the rice for people to consume, at this very hour can not get the cost of production. Some of these commodities will not bring enough to pay for the fertilizer and the cost of labor, not counting the interest on the investment in the farm lands and the equipment—the mules and the stock and the improvements necessary to produce such crops. Every one knows that the warehouses are full of grain, stockades filled with cattle, and the prices that are offered are less than it cost to produce them. Wool in the West will not bring the actual cost of production. Cotton in the South to-day can not be sold at the price that is offered for it, or only about one-half of what it cost to produce that commodity, not only for the United States but for the entire civilized world.

Now, sugar in the South—I do not know what it costs in the West—is to-day selling at a price less than it costs to make it. There is no market for rice. I do not know, my friends, if this amendment were adopted and all of these hundreds of thousands were allowed annually to come into the country and went on the farms of the country whether there would be such an overproduction as to actually drive out of business men who have their money invested in farms or not. As it is, I know that the farmers can not make money, and to have such an amendment as this injected into the bill would be an injustice to our country and an irreparable wrong to the farmers of this country. The small farmers working their lands with their children can hardly live at the present low prices of farm products.

Mr. KNUTSON. Will the gentleman yield?

Mr. QUIN. Yes.

Mr. KNUTSON. It is plain to be seen that the gentleman has given very careful attention to this question. Does the gentleman think that the amendment was offered in good faith?

Mr. QUIN. Oh, I can not impugn the motives of the gentleman who offered the amendment. The only fear I have is that it might pass, because I know what influences in this country have done this, and that they want to continue to import this foreign element here. There are some selfish interests in the United States that want all of this type of immigration to come in for the purpose of lowering the cost of labor. I shall vote against this amendment. [Applause.]

Mr. FOCHT rose.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to make an effort to close debate upon this amendment. I ask unanimous consent that all debate upon the amendment close in five minutes.

The CHAIRMAN. Is there objection?

Mr. HENRY T. RAINEY. Reserving the right to object, who is to get the five minutes?

Mr. FOCHT. I would like to have five minutes myself.

Mr. SABATH. Mr. Chairman, reserving the right to object, 40 minutes have been taken on the part of those against the amendment and only 10 minutes in favor of it. I desire to have at least 5 minutes.

Mr. JOHNSON of Washington. Then, Mr. Chairman, I ask unanimous consent that debate upon this amendment close in 15 minutes.

The CHAIRMAN. The gentleman from Washington asks unanimous consent that all debate upon this amendment close in 15 minutes. Is there objection?

There was no objection.

Mr. FOCHT. I had hoped that there might be given in the discussion of this amendment every opportunity to the distinguished gentleman from Illinois [Mr. HENRY T. RAINEY], because I am anxious to hear what reason he can give for undertaking to impose upon the American people through the adoption of this amendment as a part of this bill such an iniquity, such a menace as it would be bound to bring about. I understand now that he is going to enlighten us, and I hope he may have every opportunity to emphasize the subject.

Yesterday a statement was made here—in a sense of humor, I suppose—to the effect that the proponents of this bill all seem to come from the agricultural country, from the wide, bounding, expanding plains of the West. Humorous remarks were directed to Mr. CAMPBELL of Kansas.

Mr. Chairman, I do not happen to come from the plains of the West, but, on the contrary, I come from the great industrial State of Pennsylvania. Unfortunately for that great Commonwealth, probably the greatest single division of government on earth, for long years we have been harassed and menaced by probably more of this product from the slums of Europe than all of the other Commonwealths of the United States together. Therefore, I speak with definite knowledge of what a calamity it would be if we do not pass this bill and permit further the influx of these people from Europe, and truly those now coming constitute a most undesirable element of humanity.

If this is a matter of humanity, if it is a matter of pity and compassion on behalf of the poor, downtrodden people of Europe, then, rather than have them come here with the doubtful productive capacity on the part of the head of the family, with the burden of keeping probably a family of five or six members, it would be far better for us to load our ships with the products of this country and feed them over there and let them stay there, where we are supposed to have saved the world for democracy for them. The idea which has been expressed here in respect to bringing these people from Europe to work is a mistaken idea and an erroneous notion, for they work only when they please. In my district, where many of these foreigners live, they work only when it suits them; they have no moral sense of obligation to an employer at all. A man with capital may undertake to open up a coal mine. He will set up his breakers or open a drift and cut the vein, making his calculations on a certain production of tonnage. Instead of bringing out that tonnage these people will work often only three days a week and then go rabbit hunting the rest of the time.

I want to say to you gentlemen from the South, with whom I very seldom agree on matters with respect to public economy—and certainly we differ widely upon the question of the tariff—that I am proud of the position you take on this measure and I offer you the hand of fellowship in our efforts to protect American citizens who are already here, the descendants of men who made this country, who made the sacrifices, and their

families and interests, and I applaud with you the idea that we are not going to divide any more with the rest of the world until we have settled many now present and all-consuming questions at home. I hope in compensation for what you are doing here to-day to help protect the northern cities and the northern sections from any further importation of this class of people that we can in some way just help you solve the race question in the South. [Applause.]

Mr. SABATH. Mr. Chairman, it seems to me that some of these gentlemen who are opposed to this amendment are not familiar with the bill now pending. If their contention is correct, surely the committee has erred in embodying section 5 and section 7 into the bill—

Mr. HENRY T. RAINEY. Is it not true that under this bill as it stands now farm labor can be brought in from Mexico, Cuba, Newfoundland, and Canada?

Mr. SABATH. Yes. It can for six months. In the first place, in section 5 we exempt from the operation the importation of persons to be employed as domestic servants, so that all those who need domestic servants will have the privilege, not of engaging them here but of importing them. The gentleman from Pennsylvania [Mr. FOCHT] is very familiar with that provision. Surely, if his contention is correct as to the general position, he must vote against this section 5.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. SABATH. For a question.

Mr. RAKER. Is it not a fact that section 7 was put into the bill and discussed by the committee and the distinguished gentleman now speaking for the sole purpose of aiding interchange between business men in Mexico and the United States and Canada and the United States, and that it had no relation to farm labor?

Mr. SABATH. I have now spoken relative to section 5. I shall come to section 7, but it seems to me that the gentleman from California is afraid of what I am going to say about section 7 and for that reason he propounds the query to me before I have a chance to say anything about it. I will tell you why that section was put in it. It is because the New England and the southern Representatives in 1919, in 1918, and even this year appealed to the committee for relief, to enable them to import Mexican and Canadian farm labor, because they could not find the labor they needed so much upon their farms, the cotton and the sugar-beet plantations.

Mr. VAILE rose.

Mr. SABATH. In a moment. I admit that it will relieve the condition on the Canadian border, and I am not opposed to it. Inasmuch as we produce about eight billions' worth more annually than we can consume, I believe that we should place ourselves on the friendliest possible terms with other nations, so that the farmers, the manufacturers, and the laborers can find an outlet for this great surplus that is being produced by this great and glorious country—and that with the assistance of the "undesirable" men in the district of the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield first to my colleague on the committee and then I yield to the gentleman.

Mr. VAILE. I call the gentleman's attention to the fact that section 7 provides for admission during the period of suspension of "otherwise admissible aliens" and that that means those who can pass the literacy test, which means further that Mexican laborers certainly can not be admitted under that section.

Mr. SIEGEL. Will the gentleman yield a moment; there is nothing in this bill to prevent the Secretary of Labor from doing what he did in 1918, to allow all the wet backs and dry backs to come in from Mexico for farm labor.

Mr. SABATH. Of course not. In 1919, as the report shows, there were 40,000 Mexicans and others admitted upon the special appeals of the farmers of the South and the farmers of the West, to relieve a condition that then existed. I will now yield to the gentleman from Pennsylvania.

Mr. FOCHT. The gentleman spoke of the surplussage of production here. Will the gentleman be willing in order to equalize that, vote for a tariff against the wheat from Canada and corn from the Argentine Republic? Answer that, I have asked the gentleman a question.

Mr. SABATH. I will answer it. If it would be for the best interest of the people of America; yes.

Mr. FOCHT. I will remember that.

Mr. SABATH. But how can a tariff aid or benefit the American farmer? Does not the gentleman know that we import wheat and corn only in negligible quantities, and that only for seeding purposes? The facts are that we export 50 bushels of wheat and corn for every bushel we import. The facts are

we raise millions and millions of bushels of wheat and corn above what we can consume.

Mr. FOCHT. Why is it coming from Canada now?

Mr. SABATH. Because, I am informed, that our farmers are holding it for a higher price and refuse to ship or sell. The gentleman from Arkansas [Mr. CARAWAY] and other gentlemen from neighboring States are greatly alarmed about the future of our country and about the deplorable conditions that now exist. They are all pleading to close our doors to the world and, at the same time, appeal that the avenues of trade to America's products be found and established. Others, again, like the gentleman from Pennsylvania [Mr. FOCHT] and the gentleman from Minnesota [Mr. KNUTSON], deplore an increase in the imports and demand high tariffs. Both groups fail to realize that if we start a policy of discrimination, as is contemplated by these gentlemen, the other countries may retaliate, and, instead of taking our tremendous surpluses, will secure their needs and deal with other countries.

What, then, will become with the nearly \$8,000,000,000 worth of surplus wheat, corn, cotton, and manufacturing products which we exported in 1919 and which may increase by \$500,000,000 this fiscal year? At the same time I wish to ask the gentleman if it does not require some labor to make possible the harvesting of the tremendous crops and to produce these extraordinary quantities of merchandise that we have and hope to continue to supply the world with. We have been in position to produce these enormous quantities of everything because we have had the labor. Every enlightened and far-seeing country that has been increasing its production and its exports and thereby its wealth has not only permitted foreign labor to come in but has offered special inducements to it. This, however, the gentlemen, due to the veil of prejudice, can not see. They utilize, without examination or investigation, every unfavorable utterance and article, it matters not from whom it emanates. It matters not how irresponsible the person that utters it, they use it on the floor to prejudice the minds of the American people in favor of this and similar bills, little realizing that in years to come they will be obliged, in justice to themselves, to retract and apologize for it and for enacting the legislation that is sought to be enacted in this bill, Mr. Speaker, notwithstanding that I pointed out that a century ago the same attacks were made against the then incoming immigration as has been made on this floor during the last few days on the present immigration.

Mr. Chairman, if the gentlemen who have been making these unwarranted and unfair attacks upon the present immigration would only examine the statements that have been made here and elsewhere about those that came only two or three generations ago, I feel that if they are not altogether selfish and have any feeling whatever they would hesitate before making these assertions. I have the gentleman from Oklahoma [Mr. CARTER] to thank for this observation, because of his remark that if this law should have been enacted 500 years ago his people would still be the possessors of this great and wonderful hemisphere. He inquired how many would be here to-day, and I inquired if such a law had been enacted only 200 years ago—yes, 100 years ago—how many of you gentlemen would be here to-day, and I can go further and say, if such a law had been enacted 60 or 80 years ago, I am sure many of you gentlemen who are so strenuously advocating the passage of this bill would not be here to do so.

I am satisfied that the American people are not in favor of this legislation, and I am positive that they will resent it. In fact, I know it will not become the law, because I doubt very much whether the Senate will ever be carried away as you seem to be, but if it should I have the utmost confidence that this great man, yes, the greatest man that ever occupied the White House, will ever approve of it, and you will not be able to pass it over his veto.

Mr. HENRY T. RAINEY. Mr. Chairman, in five minutes it will be impossible for me to answer the absurd objections urged to this amendment. In the first place, it is seriously argued on this floor by a gentleman, for whose legal acumen I have always had the greatest respect, that if this amendment were adopted it would impose a system of involuntary servitude in this country and that the farmer who employed labor under those circumstances will be guilty of peonage. Why, nothing can be further from the fact. The laborer who comes in under this amendment comes to this country because he wants to come here; he comes here because he agrees to work on the farm; he comes here because he agrees to work nowhere else; and he comes here because he voluntarily agrees to leave this country when his work on the farm is over. Is there any system of involuntary servitude in that proposition by which the farmer can be held liable? Why the contract of the laborer is with the

Government of the United States. He comes here for this purpose and for no other purpose and that disposes of the argument, of course, of involuntary servitude.

Mr. GREEN of Iowa. Will the gentleman yield for a suggestion in that connection?

Mr. HENRY T. RAINEY. Yes.

Mr. GREEN of Iowa. The gentleman is well aware and all the members of the committee are well aware that this same thing has been going on here, as we have had agricultural laborers introduced here and that nobody has ever raised the constitutional question.

Mr. HENRY T. RAINEY. Yes; I am coming to that question. And it is very seriously argued that this would be an iniquity. I will undertake to say without fear of any successful contradiction that since the morning stars sang together no commercial nation, no nation that has ever had any standing in the world, excluded from its boundaries common labor of any description for any period of time, and no country has excluded skilled labor for any period of time from its boundaries except Germany. This country never did and no nation in the world ever did. Exclude from this country the labor of men who are willing to perform the drudgery on farms? Why the proposition is absurd. And on the theory that it will keep wages up on the farm if we keep them out? Why wages are so high now farmers can not pay them. Farm labor in this country has disappeared and disappeared entirely. In the wheat sections and corn sections and dairy sections of the United States there are no more farm laborers. Farmers exchange labor between themselves in order to get their crops harvested and on the market. If this amendment does not prevail now, I promise those gentlemen that when we reach section 7 I propose to try to offer another amendment. You can not stand for the things in section 7 and be against this amendment. It is argued that the farm laborer coming here might marry and have children, and that it will disrupt family ties and compel him to go away when they quit their employment. The same thing might be said to apply to the Mexican laborer who continues to come here under the bill as drafted. The same thing might be said to apply to students coming here who are compelled to leave when their work in the colleges is over. The same thing might be said as to the excepted class of pleasure seekers who come here and are compelled to go away when the purpose for which they come is ended; and to all these excepted classes who come in under the bill and go away when the thing for which they came is ended.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENRY T. RAINEY. Mr. Chairman, may I have three minutes more?

The CHAIRMAN. The Chair is informed that the time for debate has been fixed.

Mr. HENRY T. RAINEY. Yes; but I am asking unanimous consent to speak for three minutes more.

Mr. SABATH. Mr. Chairman, I hope unanimous consent will be granted.

Mr. FOCHT. Mr. Chairman, I hope the committee will give the gentleman ample time. I would like to have his views.

Mr. SABATH. I ask unanimous consent that the gentleman may have an additional three minutes.

Mr. JOHNSON of Washington. As the gentleman says the proposition will be up on another section I shall be compelled to object.

The CHAIRMAN. Objection is heard. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, strike out all of lines 11 to 15, inclusive.

Mr. BLANTON. Mr. Chairman, on yesterday I called the attention of the gentleman from Michigan [Mr. SMITH] to the fact that certain students of a certain university just before our recent election had indorsed a convicted traitor of this country who is serving a term in the penitentiary. He seemed very much surprised. I now want to cite him to the particular university. I quote from this excerpt placed in my scrapbook out of one of the Ohio papers just before the election. I will read the following excerpt from it:

In a straw vote on the presidential election taken by the University News, official newspaper of the student body of the University of Cincinnati * * * Eugene Debs, Socialist, ran third with 42 votes. * * * The greatest surprise of the straw voting was the strength shown by Debs at the medical college. He ran first with 33 votes to Harding's 32 and Cox's 15. This represents the vote of a majority of the seniors and freshmen of the medical college.

I call attention to this because it is a serious matter. We are admitting students from abroad, men who claim to be students, and yet who enter the universities of our land for no other purpose than poisoning the minds of the American youth whom we send to the various institutions of this land, and are away from their home, away from the influence of the fireside, and they meet with this kind of instruction. I am sorry to say it is permeating a good many institutions of learning in this land. Only a week ago it was reported here in the Capitol that in the great university of Princeton, our great Princeton University president, Dr. Hibben, even, was harboring socialism. I knew that was not correct. I knew that was false on its face, because I knew Dr. Hibben, and I took occasion to write him and ask him about the circumstance. And I want to read his letter, because the fathers and mothers of this land who have boys in the great Princeton University have a right to know that it is sound American doctrine only that is permitted to be fostered there. I read his letter:

PRINCETON UNIVERSITY, PRESIDENT'S ROOM,
Princeton, N. J., December 6, 1920.

MY DEAR MR. BLANTON: I am very glad that you have given me the opportunity through your letter, of denying the statement which appeared in one of the Washington publications that I have indorsed socialism. I have been and am thoroughly opposed to socialistic doctrines of every degree and kind.

Some time ago our undergraduates wished to organize a society for the study of socialism. Nearly all of the young men in it, with the exception of a very few, have strong convictions of antisocialism. It seemed to me wise to allow these men to pursue an intelligent, though by no means a prejudiced, study of socialism, rather than create a reaction in favor of socialism by forbidding their meetings.

My only direct relation to the society is the request which came through its president to suggest the names of two speakers whom they might invite to Princeton to present the arguments against socialism. This gives me an opportunity which I am very glad to seize. I am now in consultation with Prof. Fetter, the head of the department of economics and social institutions, as to the men whom I shall suggest to the society. We wish to get the strongest men in the country to present their views. In our department of economics and social institutions we have no one in the teaching staff who has any tendency toward socialism of any kind.

I hope, wherever you hear me quoted as being an advocate of socialism you will give it a very emphatic denial.

With warm regards,
Faithfully yours,

JOHN GRIER HIBBEN.

MR. THOMAS L. BLANTON,
Representative from Texas,
House of Representatives United States,
Washington, D. C.

The CHAIRMAN. The time of the gentleman from Texas has expired.

MR. BLANTON. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] The Chair hears none.

MR. SABATH. Will the gentleman yield?

MR. BLANTON. I will.

MR. SABATH. Was this letter from the president of the Cincinnati University?

MR. BLANTON. Oh, no. Before reading this letter I had just called attention to the fact that it was even reported that socialism was harbored in so great an institution as Princeton University. It is a great satisfaction to me that Dr. Hibben reports it is not harbored there. But I want to say this: It does permeate a good many of the great institutions of this land. Education, proper, wholesome, the right kind, is the salvation of this Republic, but when you get education that teaches the undermining of the fundamental principles of our Constitution, when you get education that seeks to undermine law and order and our Government, then you get an education that is most dangerous in the extreme.

I want to say in regard to this particular clause in the bill which permits so-called students to come, that those students may be 50 years of age. One of them might be Alexander Berkman if he were not so well known. He is a student, a student of socialism. Lenin and Trotsky are both students. If they were not known, if we were not onto their modus operandi for undermining good government, they could come here and enter the institutions of learning in this land and scatter their seeds of poison for months and years even before we would find it out. I want to say that this is a dangerous clause. I want to say that it should come out of here. The boys of the United States who are in the universities of our land, the boys of this country, are more important to me than would-be students from abroad.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

MR. SIEGEL. Mr. Chairman, I rise to oppose that amendment. By virtue of certain treaties existing between the United States and various nations, certain students are permitted to

come to this country to enter West Point, Annapolis, and other universities. None of these students can come into America unless they obtain a passport from their own country. It must be viséed by the United States consul at the very place from which they start, and again it must be viséed by the United States consul at the port of embarkation. They must be physically and mentally and morally fit in order to enter the United States. They are subject to all of the restrictive provisions which are found in the immigration law.

Now, my friend from Texas [Mr. BLANTON] all the time walks over to this side of the House appealing to us over here, perhaps because he has more faith in this side than he has in his own. I appeal to the entire House when I am speaking, asking the entire House to carefully consider what we are trying to do. A student coming to the United States, if he does anything wrong, can be immediately deported. He is not an exception. Do not let us because of aroused hysteria or because some university medical college takes a vote—and some of these young men voted for Debs, with HARDING next, and probably a week or two later they might have been all for HARDING—do not let us consider it any reason why we should shut our doors to students who come here to attend our colleges and universities. The great trouble is that many people have an idea that with constantly tinkering with treaties and immigration laws we are going to change the condition of the mind of the American people. It is the enforcement of the law, as you will find, which is at fault, if you will take the time to examine this entire subject carefully. I say the attempt to tinker with this provision, which is in every treaty, is the most ridiculous thing we can try to do, and makes us the laughing stock of the world. A student who enters the United States under those conditions can be sent out in 24 hours if he violates our laws, if the administrative authorities will only act. For that reason I am opposed to this amendment.

MR. SABATH. Mr. Chairman, under the present law it is permissible for students to enter the United States, and, as has been stated by the gentleman from New York [Mr. SIEGEL], we have treaties with nations which permit them to send their students to our colleges and universities. For a long time there has been complaint that the treaty and the agreement have been abused. The committee, in their desire to eliminate any possible abuses that might have existed, felt that they should insert this paragraph, and if the gentleman from Texas [Mr. BLANTON] will read paragraph 3 he will see that that provision is a safeguard. It provides that bona fide students who may enter the United States for the purpose solely of study at educational institutions particularly designated by them, and that upon graduation or completion or discontinuance of studies they shall not be entitled to remain in the United States. It has been charged that continuously students from certain countries would come in and within a short space of time would abandon their studies and, in violation of agreement, take positions in various industries. It is to prevent this abuse that this paragraph has been inserted, and the gentleman from Texas should favor this provision, because it is an additional restriction and burden placed upon them, that they must give not only the place to which they go, but also the university which they desire to attend. So I say if the gentleman from Texas would study this provision with his usual care he will come to the conclusion that it is a safeguard against an improper entry on the part of those students who came, as is claimed, as students, but accepted other employment in violation of the privileges granted them.

MR. EVANS of Nevada. Mr. Chairman, I would like very much to see this amendment prevail. The whole bill is intended for the protection of Americanism. That is the most important part; that is the very heart of it. I earnestly hope that this amendment will prevail.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLANTON].

The question was taken, and the amendment was rejected.

MR. ROGERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts.

The Clerk read as follows:

MR. ROGERS offers the following amendment: Page 6, line 23, insert the following as a new paragraph:

"(g) The visé of a passport of an alien may, under regulations prescribed by the Secretary of State, be refused if the applicant would be dangerous to the public safety or obviously be liable to exclusion if allowed to present himself at a port of the United States for admission: *Provided*, That such applicant, if rejected by the officer of the United States to whom application was originally made, may appeal to the Secretary of State: *And provided further*, That the issuance of a visé to an alien by a person duly authorized to issue such visé on behalf of the United States shall not relieve said alien or the steamship company transporting him from the operation of any provision of the laws of the United States."

Mr. ROGERS. Mr. Chairman, under this bill we continue for the period to come the present practice of requiring a consular visé from our consular representatives abroad before an alien shall be allowed to start for the United States. That consul to-day and under this bill would have no discretion whatever in turning back even an obviously unfit alien. That is to say, a man who was a leper, who was a degenerate, who was clearly unfit to be admitted to the United States upon any conceivable theory under the provisions of the immigration laws themselves, might come before him seeking a visé. Yet the consul would have no option, provided the man's papers were regular, and although he could see at a glance the unfitness of the man for admission, that consul would have no right to refuse a visé.

My contention is that if we are going to continue this elaborate system of consular visés that has grown up during the war, we ought to make it of some value. Of course, we all agree that the consuls of the United States abroad must be consuls primarily, and can not impose the elaborate tests which are necessary for the adequate enforcement in detail of the immigration laws. But I submit that for the welfare of the country and for the welfare of the individual immigrant also the consul ought to have some discretion to refuse the visé in cases where, as I say in the amendment, the applicant would be obviously subject to exclusion if he presented himself at a port of the United States. I assert that this is necessary for the protection of the country, because it imposes an additional test upon the immigrant. It puts him through a double sieve.

The immigration-enforcement officers are frequently liable to error. The consular administration of the law, even if my amendment were adopted, would still be liable to error. But if you impose the two exactions, if you put the immigrant through the double sieve, you run just so much the less chance of having him creeping into the country when he should not be allowed to do so.

Take it also from the standpoint of the immigrant. I can not conceive of a more horrible experience than for an immigrant to leave for a port of the United States with his passport from the consul duly viséed—which he thinks, ninety-nine times out of one hundred, is all that he needs, and means that he has full authority to enter this country—and then, when he gets to a port of the United States he finds that he has not passed the barrier at all and that he must comply with the provisions of the immigration laws. Then that man is sent back in his steerage hole in which he came to this country. There can not be a more hopeless feeling than that immigrant has when the news comes to him that he must return to the country whence he came and he realizes that his savings of a lifetime have been sacrificed in order to make this useless journey.

If the consul had the right to refuse in obvious cases, it is true that you will not correct the difficulty invariably, but you will correct the difficulty in a very large percentage of cases.

For these reasons, Mr. Chairman, both from the standpoint of the country and from the standpoint of the individual immigrant, I believe that to give the consular representatives of the United States at the various ports of the world some discretion in the granting or withholding of visés will be extremely salutary. What is the use of having this elaborate system of visés if a consul can not in some degree, at least, say yes or no to the man who asks for the visé?

Mr. MANN of Illinois rose.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MANN of Illinois. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Massachusetts [Mr. ROGERS] may have five minutes more. Is there objection? There was no objection.

Mr. ROGERS. I yield to the gentleman.

Mr. MANN of Illinois. Suppose a consul now refuses to visé the passport. What happens?

Mr. ROGERS. So far as I know, no process of appeal is permitted. This amendment would erect the machinery of appeal.

Mr. MANN of Illinois. The gentleman said practically that the consul was required to grant his visé. What is there that requires the consul to visé a passport?

Mr. ROGERS. Because he has no discretion to refuse it under the instructions that go to him from the Department of State.

Mr. MANN of Illinois. That is an instruction. That is not the law.

Mr. ROGERS. I do not think there is any law that requires the State Department to give an American citizen a passport

or to give a foreigner seeking to come to this country a visé of his passport.

Mr. MANN of Illinois. The gentleman knows very well that when it comes to an American citizen going abroad, when he seeks the visé of his passport from the representative of a foreign country, it is not obligatory on the representative of the foreign Government to visé his passport, and that the visé is frequently and constantly refused. Now, why should we make a regulation which in effect does away with the visé, because the gentleman says the consul must visé a passport when requested? Why do not the consuls have the authority to refuse the visé now? Who can compel them to visé a passport?

Mr. ROGERS. Of course, the consuls are controlled by the regulation of the Department of State.

Mr. MANN of Illinois. That is the regulation of the Department of State.

Mr. ROGERS. That is a regulation with the force of law, and the Department of State has always gone upon the theory that it had no discretion to refuse to visé on the ground that the applicant would probably be inadmissible under the immigration laws.

Mr. MANN of Illinois. Is not this viséing business something that the Department of State itself inaugurated under the war power, without any direct legislation on the subject?

Mr. ROGERS. There has been a good deal of legislation by Congress on the subject. The most recent provision that I think of was in the Diplomatic and Consular appropriation bill that became effective July 1.

Mr. MANN of Illinois. Does that require a consul to visé a passport upon request?

Mr. ROGERS. Oh, no. It specifically stated that there was no requirement of law.

Mr. MANN of Illinois. Then, if the consul refuses to visé a passport the only way the matter can be reached is by the Department of State removing the consul?

Mr. ROGERS. Yes.

Mr. MANN of Illinois. That is a matter of regulation.

Mr. ROGERS. Or direction.

Mr. JOHNSON of Washington. The Department of State is asked right along to direct consuls to visé passports. Letters are written to the Department of State by Congressmen, Senators, and others. A consul refuses to visé the passports of some foreigner. The person in the old country writes to his friends in this country and they go to their Congressmen or Senators and ask them to write the Department of State to have the Department of State request the consul to visé the passport.

Mr. MANN of Illinois. So the authority exists for the State Department at least to permit consuls to refuse to visé a passport or to visé it, as they see fit.

Mr. ROGERS. I think that is true.

Mr. MANN of Illinois. But the gentleman's amendment practically requires the consuls to visé all passports unless obviously the applicant could not come in under the immigration law.

Mr. ROGERS. The State Department—I am frank to say that I can not tell for what reason—has always taken the view that there was no right to use the passport law as an adjunct to the enforcement of the immigration law.

Mr. JOHNSON of Washington. The reason being that Secretary Lansing, when the Department of State asked for an extension of the passport law, gave his word to the committee of which the gentleman [Mr. ROGERS] is a member, that the State Department would not attempt to override the Department of Labor, and the State Department to this day is run on the word given by Secretary Lansing to the House Committee on Foreign Affairs.

Mr. ROGERS. If the bill went through without the proposed amendment, does the gentleman conceive that under any circumstances a consul would have the right to refuse a visé for the reason that the applicant was inadmissible under the immigration laws?

Mr. JOHNSON of Washington. No.

Mr. ROGERS. That is precisely what I am trying to reach in this bill, to provide that the consul shall have the right to refuse.

Mr. MANN of Illinois. He can refuse to visé a passport for any reason or for no reason. He is not required to give a reason for refusing to visé the passport of an applicant. He can do as he pleases about it.

Mr. ROGERS. The State Department holds that it has no right to enforce the immigration laws under existing law, and that a visé can not be refused an applicant on that ground. I propose to give the State Department the power to do that thing.

Mr. SABATH. Is it not a fact that a great many visés are refused?

Mr. ROGERS. Visés are sometimes refused, I understand—

Mr. SABATH. Upon what authority—

Mr. ROGERS. If the gentleman will let me answer his first question, I shall be glad to do so. I understand that visés are refused on the ground that the applicant if admitted to the United States would be a dangerous element to our political institutions. I think that is the only ground upon which visés are now refused.

Mr. SABATH. But they have the discretion to refuse.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to oppose the amendment. I have nothing to complain of in the argument of the gentleman from Massachusetts; it may be all right, but to adopt that we may run into the very danger that we incurred in the last Congress by amending in one paragraph all the immigration laws we have. It might be a good thing. When the time comes, in the next House I hope we may have a select committee to try and write some immigration and passport laws which will be in harmony. That committee should be composed of members of the Immigration Committee and the Committee on Foreign Relations, and perhaps some others. I am of the opinion that we would not help the passport law by any such a blanket paragraph as that offered by the gentleman from Massachusetts. Therefore I oppose the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was rejected.

Mr. SABATH. Mr. Chairman, I move to strike out the last word of paragraph 2, and I do so in order to make an inquiry of the chairman pertaining to the visé provision. Paragraph 2 exempts from the operation of this bill travelers or temporary sojourners for pleasure or business, and they are subject to the regulations in the passport provision. Now, we will say that a man who is in sympathy with the soviet government of Russia, a substantial business man, desires to come to the United States for the purpose of business, to purchase large quantities of foodstuffs and other merchandise. As I understand it, unless he can secure a passport from his own government he could not enter the United States. Is that correct?

Mr. JOHNSON of Washington. Yes; that is correct. But being a citizen of Russia, he would probably do what other Russians have done, go to some other country and secure the passport of some one else. But he can not start on a passport from a government that our Government knows nothing about.

Mr. SABATH. It would apply to any Irishman that would desire to come here on business if Great Britain should refuse to give him a passport?

Mr. JOHNSON of Washington. No; that condition will not arise. The provision of the present law is that Austrians, Bulgarians, and Turks who served as noncommissioned officers in the army during the World War can not be admitted. That is the present passport provision.

Mr. SABATH. That was a war measure, but this is not intended as a war measure.

Mr. JOHNSON of Washington. The gentleman certainly does not want us in this bill to recognize any country that this Government has not yet recognized?

Mr. SABATH. No; I wanted to know the effect it would have on the commercial relations with other nations.

Mr. JOHNSON of Washington. The gentleman knows as much about that as any of us in the House.

Mr. SABATH. Well, I did not have a chance to make the inquiry when the bill was before the committee, because the bill was only before the committee for about an hour, and during that time there was no opportunity offered to make any inquiry, as the gentleman well knows.

Mr. JOHNSON of Washington. The gentleman could have made such an inquiry at the hearings.

Mr. SABATH. Yes; if he had the time.

Mr. MOORE of Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 1, after the word "years," strike out the semicolon and insert the words "and what has been his occupation during that period."

Mr. MOORE of Virginia. Mr. Chairman, I think there will be no objection to that amendment. The declarant is called upon to make a full statement as to his antecedents except he is not required to say anything about his occupation so far as I have been able to discover. He ought to be required to say what his occupation has been.

Mr. JOHNSON of Washington. I see no objection to that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was agreed to.

Mr. GARD. Mr. Chairman, I offer an amendment on page 5, beginning at line 7. After the word "of," insert the word "five."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 5, line 7, after the word "of" and before the word "persons," insert the word "five."

Mr. GARD. Mr. Chairman, I offer this amendment for the purpose of placing some limit on the number of names which one may put in his application. The language has no limit. It says:

Names and addresses of persons acquainted with the applicant in the country from which he starts and in the United States, if any.

It seems to me that in the interest of proper application there should be some number of names required; otherwise it is up to the discretion of the different applicants. I have no definite idea whether it should be 5 or 10, but I have placed it at 5.

Mr. JOHNSON of Washington. These questions are all on blanks furnished by the State Department at the Government expense. It requires the names of those in the country from which the immigrant comes and also in the United States, if any. He might not be acquainted with five people in the United States, perhaps only one.

Mr. GARD. That refers to the country from which he starts.

Mr. JOHNSON of Washington. I think that is an administrative matter and not necessary to be put in here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken and the amendment was rejected.

Mr. RAKER. Mr. Chairman, I offer the following amendment—I have not had time to call it to the attention of the committee, but I think it will be agreed to—as a new subdivision at the end of subdivision 9:

(10) A police certificate from his native country; and (11) a certificate of health.

The CHAIRMAN. The gentleman from California offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. RAKER: Page 5, after the word "law," in line 24, insert "(10) a police certificate from his native country; and (11) a certificate of health."

Mr. VAILE. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. VAILE. Let me call the attention of the gentleman to the fact that he proposes to add this as one of the things which are to be set forth in the written declaration. How is an alien going to set forth in his declaration a police certificate, unless he quotes it, and then it will not be the document which the gentleman desires.

Mr. SABATH. Perhaps the gentleman means his police record.

Mr. JOHNSON of Washington. Where is he going to get his health certificate?

Mr. RAKER. This is a statement for him to present at the time he presents his declaration. He presents the original certificate from the police which every alien must have and carry.

Mr. VAILE. Not every alien. Some countries do not have that practice.

Mr. RAKER. I am talking now of their own home country.

Mr. VAILE. Not all of them.

Mr. RAKER. Yes; the records show that.

Mr. VAILE. How about England?

Mr. RAKER. The record shows that he carries a certificate, and he puts that in his boot, or in his sock. I want to read what was said by the Commissioner of Immigration at Ellis Island upon this subject. It is important and vital. He says that if we have that in the law it will do more to prevent undesirables coming to this country than any other thing that we can enact. Before I read that I yield first to the gentleman from Colorado.

Mr. VAILE. Would a person coming from England have his police record in his sock?

Mr. RAKER. If he has one there, yes.

Mr. VAILE. But the gentleman does not say "if he has one." He says he must set forth in his declaration his police record.

Mr. RAKER. If he has one it goes in, just as you provide here for his stating the names of his relatives. If he has not any he can not name them, and therefore he would not be able to come here.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. LEHLBACH. You say "from his native country." Suppose a person born in Austria or Italy in his infancy has gone to Great Britain and has become a naturalized citizen of that country. How is he going to get his police record in his native country? A baby 6 weeks old has no police record.

Mr. RAKER. Then he would not comply with this provision. If a baby 6 weeks old can not produce his record, he can not produce what this bill provides for.

Mr. LEHLBACH. Then, I say, suppose a native-born Austrian, German, or Italian in his infancy is taken by his parents to Great Britain and becomes a naturalized subject of Great Britain. How is he going to produce a police certificate from his native country? A man's native country is where he is born, not the country of which he happens to be a subject.

Mr. RAKER. He will get one. I want to read now what the commissioner says.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Not until I have concluded the reading.

"The first essential in the immigrants who are coming to this country," said Commissioner Wallis, "is for this Government to see that we are getting the right kind of people. I am no believer in the illiteracy test. A man may not know one letter from another and still make an honest and useful citizen. Since the war we have been getting the bulk of our immigrants from a few countries, but I believe that in the future we shall receive people from nearly all the countries of Europe. I have been given to understand on good authority that we shall soon have considerable immigration from Scandinavia, and I learn from an equally good source that many Dutchmen are preparing to come to America. These Dutchmen are well to do, and many of them are men of considerable means. The reasons for their leaving their country is that so many foreigners from the war-stricken countries of central Europe have been settling in Holland that the conditions there have become disagreeable. And then I learn that there are fully 8,000,000 people in Germany who are anxious to come to the United States and are only waiting until we sign the peace treaty with Germany. Now, if the class of immigrants of whom I have just spoken come to this country, it will add greatly to the desirability of our new population."

"What is the greatest menace in immigration against which this Government has to guard?" I asked.

"Bolshevism and I. W. W.," he said. "Just to-day I obtained information that the I. W. W. was planning for an extended propaganda to be spread among the immigrants as soon as they landed in this country. That is the greatest evil which we have to meet. We are trying to offset this propaganda by the propaganda of the Y. M. C. A. and other organizations that preach the doctrine of Americanism. But where there is the least suspicion that false doctrines of radicalism prevail in the would-be immigrant we keep him out. I am now planning to organize a system that will greatly facilitate us in determining whether or not the immigrant is desirable. What I want to bring about is to have the immigrant obtain in his native country a police certificate before he applies for admission to this country. This police certificate will give his entire record and tell us if he is an honest man or a criminal, a good citizen or a plotter. In addition to a character certificate I want every immigrant to have a certificate of health. We must guard against contagious diseases in this country. And when we obtain these certificates of character and health we must still continue with our examination on this side of the ocean. We must be as vigilant here as we are now."

"So the two most vital points to be considered in the admission of the alien to this country are:

"1. His character.

"2. His health?"

"Yes," said the commissioner.

Put these things in and we meet the condition and the experience of these men who are admitting thousands a week—20,000, according to his report, come in there in a week. He says that this will do more to relieve the situation, to make a showing of the man's character and a showing of the condition of his health than anything else, and why not put it in this bill? It will aid to protect our immigrants from the Bolsheviks, from the I. W. W., from the criminal, the plotter, and at the same time protect the health of our country.

Mr. SABATH. Does not the gentleman know that he is speaking now of an immigration bill and of immigrants that he believes should be permitted to come in here?

Mr. RAKER. Oh, I yield for a question.

Mr. SABATH. I mean the gentleman who is writing this article.

Mr. RAKER. This article will apply to any alien that lands on the shores of America who desires to enter the United States, whether temporarily or permanently. He should not be a criminal; he should not be a plotter, an anarchist, a Bolshevik, and his health should be good. He should not be permitted to bring into this country contagious disease which in the Old World, because of starvation, is now sweeping away tens of thousands, sending them to their graves. We should not permit them to enter who are diseased, and if you want to make the immigration bill effective, then put the safeguards around the health of your people, put safeguards round the ideals that

they seek, and only a few words added to this bill will bring about what one of the best immigration officials says will assist him in doing effective work at Ellis Island.

Mr. VAILE. Mr. Chairman, I rise in opposition to the amendment. The amendment proposed has a great deal of merit in the idea, but it is an idea which is applicable to immigrants who come here for permanent residence. It is an idea, in other words, applicable to an immigration bill rather than to a bill for the suspension of immigration. It would apply to only a small class of people in this bill, such as travelers or temporary sojourners here for business or pleasure, students, and employees of Government officials. It would apply mostly to people from our border countries who are otherwise admissible—that is, mostly merchants and business men of Canada and Mexico. It might be a very proper thing to insert it in an immigration bill when the subject is revised to let in larger classes. As applied to this bill, I hope the amendment will not be adopted, and I ask for a vote upon it.

Mr. SABATH. Mr. Chairman, the gentleman from California [Mr. RAKER] has read an article which purports to be written by the deputy commissioner of immigration at Ellis Island. He points out what he believes should be the law relative to immigration. Now, I fully concur with the recommendation that the commissioner makes, but I doubt very much whether the gentleman from California will agree with me, because the commissioner recommends the elimination of the literacy test, and I desire to ask the gentleman from California whether he believes that we should now repeal the literacy test and in lieu thereof adopt the provisions which the immigration commissioner recommends? If he does, I am fully in accord. I am ready and willing now to vote for any bill that the commissioner has reported, with all the safeguards and with all the provisions to which the gentleman from California has now called our attention.

Mr. RAKER. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. RAKER. Just at this time it is not necessary to modify or change the provisions of the literacy test—

Mr. SABATH. Well.

Mr. RAKER. I have not answered the gentleman yet.

Mr. SABATH. I yielded to the gentleman for a question.

Mr. RAKER. If an alien coming to this country is a bolshevik—

Mr. SABATH. Mr. Chairman, I can not yield for a speech. I yielded only for a question.

Mr. VAILE. Mr. Chairman, I demand the regular order.

Mr. SABATH. I have not yielded to the gentleman from California to answer more than one question, because I did not propound more than one question, and he has not answered it, and I do not desire any other information, because I do not ask it. Now, the amendment which he offers, as has been stated by the gentleman from Colorado, really is impossible of enforcement. The gentleman from California is endeavoring to amend a provision which it is absolutely impossible to amend in the way in which he desires.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to amend my amendment by adding the following. After the word "country" add "if any is required by his native country."

The CHAIRMAN. The gentleman from California asks unanimous consent to modify the amendment as stated. Is there objection?

Mr. WALSH. Mr. Chairman, reserving the right to object, I would like to have the amendment read as modified.

The CHAIRMAN. For information, the Clerk will report the amendment as proposed to be modified.

The Clerk read as follows:

Page 5, line 24, after the word "law," insert "10, a police certificate from his native country, if any is required by his native country, and 11, a certificate of health."

The CHAIRMAN. Is there objection to the proposed modification?

Mr. WALSH. Mr. Chairman, I object.

The CHAIRMAN. Objection is made. The question is on the amendment offered by the gentleman from California.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 4. (a) A citizen of the United States 21 years of age or over, who is a resident of the United States, may, under regulations prescribed by the Secretary of Labor, apply to him for permission to bring into the United States or send for an otherwise admissible parent, grandparent, unmarried son under 21 years of age, unmarried or widowed daughter, grandson under 16 years of age whose father is dead, or unmarried or widowed granddaughter whose father is dead; and any alien who has declared, in the manner provided by law, his intention to become a citizen of the United States, and who is a resident of the United States, may make like application in reference to an otherwise admissible husband or wife, unmarried son under 21 years of age, or unmarried or widowed daughter.

(b) If the Secretary of Labor is satisfied that the entry into the United States of such relative would not be in violation of the immigration laws, and that such relative is likely to prove a desirable resident of the United States, he may issue a permit to the applicant, under such regulations as he may prescribe, which shall authorize the immigration officers at the port of entry to examine such relative upon arrival at such port. Thereafter the right of such relative to admission shall be as provided by the immigration laws, except that it shall not be subject to the act entitled "An act to prevent in time of war departure from and entry into the United States, contrary to the public safety, approved May 22, 1918," or to the provisions of any proclamation, order, rule, or regulation made thereunder, and except that the literacy test may, in the discretion of the Secretary of Labor, be waived in the case of such relative.

Mr. SIEGEL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 3, after the word "admissible," insert the word "wife."

Mr. SIEGEL. Mr. Chairman, this is a committee amendment in order to clear up the question of whether a citizen of the United States who became a citizen during the time his wife was abroad might have the right to send for her. In view of the fact that it is a committee amendment, and in view of the fact it is evident to everybody that a man who becomes a citizen should have the right to send for his wife, I ask for a vote.

Mr. GARD. Mr. Chairman, I move to amend the amendment of the gentleman from New York by including the words "or husband."

Mr. SIEGEL. I will accept the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. GARD to the amendment offered by Mr. SIEGEL: After the word "wife" insert the words "or husband."

Mr. VAILE. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Ohio yield?

Mr. GARD. If I have the floor, I yield.

Mr. SIEGEL. I will yield to the gentleman for a moment.

Mr. VAILE. Mr. Chairman, I desire merely to call the attention of the committee to the different legal status under the present law between the wife and husband. The wife, of course, takes the nationality of her husband, but her husband, at the present time, does not take the nationality of the wife if she becomes an American citizen, so the gentleman is stating a somewhat different idea and a very extensive additional idea by the proposed amendment to the amendment of the gentleman from New York.

Mr. GARD. I believe I do not fully gather the objection made by the gentleman. It seems to me if a woman is a citizen of the United States at this time she should have the same right to send for her husband as a male citizen would have to send for his wife.

Mr. VAILE. She should have that right possibly, but at the present time a wife is not an American citizen when her husband is a foreigner; in that case she takes the nationality of her husband.

Mr. MANN of Illinois. May I make an inquiry of some gentleman?

Suppose one of the American nurses went to France during the war and had been lucky or unlucky enough to fall in love with a Frenchman and wanted to marry him and have him come to the United States to live. He could not come under this law. Suppose she goes over and gets married to him, does she lose her citizenship?

Mr. SIEGEL. She does at the present time.

Mr. MANN of Illinois. And she could not bring her husband back?

Mr. SIEGEL. No.

Mr. MANN of Illinois. That shows how unfair it is.

Mr. RAKER. Mr. Chairman, I offer an amendment to strike out the entire section.

The CHAIRMAN. Does the gentleman from California offer a substitute for the amendment now pending?

Mr. RAKER. Of course, the amendment is a perfecting amendment.

The CHAIRMAN. The amendment is not in order at this time. The question is on the amendment to the amendment.

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. GARD. Division, Mr. Chairman.

The committee divided; and there were—ayes 21, noes 35.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York.

Mr. NEWTON of Minnesota. Mr. Chairman, I rise in opposition to the amendment. I would like to ask the gentleman from New York, with the amendment in the law as has been

mentioned here, what effect would that have upon the situation that was set forth here by the gentleman from California two or three days ago, where a Japanese in this country marries through proxy over in Japan. Now, would that permit the wife married by proxy to come into this country?

Mr. SIEGEL. Under the gentlemen's agreement at this time Japan is not permitting any such brides to come over here and such marriages are not permitted. And none has arrived.

Mr. NEWTON of Minnesota. That condition is passed?

Mr. SIEGEL. That condition is passed.

Mr. VAILE. It is because of Japan's voluntary attitude in construing the law.

Mr. SIEGEL. We are still running along under the gentleman's agreement with Japan. There is nothing here to prevent those who went from California, 50,000 of them, to come back with their wives. It is a different construction altogether.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SIEGEL].

The question was taken, and the amendment was agreed to.

Mr. SIEGEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk proceeded to read the amendment.

Mr. RAKER. Mr. Chairman, I have an amendment to strike out the entire section.

The CHAIRMAN. The amendment offered was to perfect the text, and therefore would have precedence over the gentleman's amendment. The Clerk will report the amendment of the gentleman from New York.

The Clerk read as follows:

Amendment of Mr. SIEGEL: Page 7, line 3, after the word "parents," insert the words "brother or sister under 21 years of age."

Mr. SIEGEL. Under the exception of this section 4, no man in the United States can send for his younger brother or sister under any condition. This amendment of mine would give him permission to send for a younger brother or sister under the age of 21 years. The reason why I urge it very strenuously is this: There are a number of young men in this country who served in the Army and otherwise, and if this bill goes into effect as proposed under section 4, under no conditions can they send for the younger brother or sister, regardless of whatever the age might be. I think a brother or sister under that age is just as dear to a citizen of the United States as a grandson, for instance, or some of the other exceptions that have been made. I therefore urge its adoption.

Mr. MANN of Illinois. Will the gentleman yield for a question, in order that I may understand his proposition?

Mr. SIEGEL. I will.

Mr. MANN of Illinois. Under the provisions of the bill as it now exists, a boy who served in the war can send for his parents?

Mr. SIEGEL. Yes.

Mr. MANN of Illinois. And if the parents have been fortunate enough to have a baby, brother or sister, they can not bring that child with them?

Mr. SIEGEL. That child must stay in Europe.

Mr. MANN of Illinois. The gentleman's amendment is designed to permit them to bring their infant along with them?

Mr. SIEGEL. Yes.

Mr. BLANTON. But a party who desires to bring his sister or brother over, has he not had since November 11, 1918, to do that very thing?

Mr. SIEGEL. I want to say to the gentleman from Texas that there are any number of cases where men have tried for a year and even over two years to locate those near and dear to them and to learn what has happened over there. In many instances no letters have been received for three or four years, and now at last word is coming through from various parts of Europe showing some of them to be alive, where parents have been killed. This reaches those only under the age of 21 years.

Mr. BLANTON. That would embrace innumerable persons.

Mr. SIEGEL. No; it would not, because a person must be a citizen of the United States. It does not reach an innumerable lot, but a small number in comparison to those who would ordinarily come in. I appeal to the gentleman along those lines.

Mr. BLANTON. The bill has been cut down to recognition for only one year.

Mr. SIEGEL. I want to say a man here in this country loves his brother and his sister as much as a grandfather loves his grandchild.

Mr. BLANTON. He has not thought of sending for them.

Mr. SIEGEL. Oh, yes. He has tried in every possible way to do it, and in numerous cases I can point out to the gentleman he has tried very hard to do it. Our State Department and Red Cross have tried to help, but unsuccessfully.

Mr. BLANTON. I am sure everyone in the gentleman's district who has appealed to him since the armistice was signed has had his brother or sister brought over.

Mr. SIEGEL. I want to say to the gentleman that that is not so.

Mr. BLANTON. Then the gentleman has not done his duty.

Mr. SIEGEL. The gentleman does not mean that, and he is talking without being familiar with conditions.

Mr. JOHNSON of Washington. Will the gentleman from New York accept a modification of his amendment, so it would read on page 7, line 4, "grandparent, unmarried son or brother under 21 years of age," and in line 5, "unmarried or widowed daughter or sister"?

Mr. SIEGEL. Yes; I have no objection to that. I will modify it accordingly.

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment. Is there objection?

Mr. NEWTON of Minnesota. Reserving the right to object, Mr. Chairman, does the gentleman understand that that would take in not only a natural brother or a natural sister, but that it would permit an adopted brother or sister to come in?

Mr. SIEGEL. I do not believe that is my construction of it.

Mr. NEWTON of Minnesota. Would the gentleman object to the qualification of "natural brother" or "natural sister"?

Mr. SIEGEL. I will accept that.

Mr. NEWTON of Minnesota. That would avoid the difficulty.

Mr. MANN of Illinois. That might be construed as an illegitimate brother or sister.

Mr. SIEGEL. Mr. Chairman, I withdraw my request for unanimous consent to modify. Will the Clerk kindly report my amendment again?

Mr. BANKHEAD. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Clerk will report the amendment as proposed by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. SIEGEL: On page 7, line 4, after the word "son," insert the words "or brother," and on page 7, line 5, after the word "daughter," insert the words "or sister."

The CHAIRMAN. Is there objection to the modification?

Mr. NEWTON of Minnesota. Reserving the right to object, would the gentleman object to putting in the words "blood brother" or "blood sister"? There is objection to putting in the word "natural" in there.

Mr. SIEGEL. I want to say to the gentleman from Minnesota that some of our friends here who are authorities on the question think it might lead to lots of confusion.

Mr. NEWTON of Minnesota. What I want to do is to avoid the possibility of letting in any wholesale number of adopted brothers and sisters.

Mr. MANN of Illinois. It will be only for a year anyhow.

Mr. SIEGEL. There is an investigation after it is done, anyway, by the Secretary of Labor over here.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I rise to oppose the amendment for the purpose of asking the chairman of the committee [Mr. JOHNSON of Washington] or the gentleman from New York [Mr. SIEGEL] whether or not they can give the committee any approximate estimate as to the number of citizens of the United States who might bring in their brothers and sisters under the age of 21 under this provision? I want to call the attention of the chairman of the committee to the fact that there are a good many of us on this side of the aisle who have undertaken to follow the gentleman on his immigration bill, and we are somewhat distressed over here to note his gradually growing practice of accepting amendments to his bill absolutely weakening and destroying the purpose for which the bill was contemplated.

Now, here is the gentleman from Washington, the chairman of the committee, proposing to accept without protest amendments without offering to the House any explanation or information as to what number of these undesirable immigrants would come into the country, and I ask the chairman of the committee if he has any information on that subject, because if he has I think we are entitled to the benefit of it.

Mr. JOHNSON of Washington. I would be glad to answer frankly. This paragraph is designed to liberalize the paragraph for citizens of the United States, presumably here, who are naturalized, to bring in members of their family. We do

not draw distinctions—they are citizens. We give them the right to send for their blood line. The number can not be large. It has been the custom to allow it heretofore. The most upright people who have come to the United States and pursued our customs and taken out first papers and finally their final citizenship papers and who have been of us and with us have been allowed to send for their relatives. I can not estimate the exact number that would be involved. It has been done in many cases, and always the good blood that has come to us has been from those who have come here and taken out citizenship papers. If we go too far, the whole paragraph will be made so liberal that it will probably be lost. But I can not see any objection to the amendment. If we are letting sons in, we might also let in brothers under 21, unmarried, or sisters under 21.

Mr. BANKHEAD. I fear that the result of the enlargement of the exemptions to the restrictions is going to be that you are going to embrace enough of these immigrants to fill up all of these ships that you talk about that ought to be taken out of the service. The gentleman knows that hundreds and thousands of people in the United States have taken out their citizenship papers who still have in these prolific countries of Central Europe hundreds of thousands of brothers and sisters whom they seek to bring in here.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. RAKER. Here is the last report of the Commissioner of Immigration at Ellis Island, in which he says:

Of these 430,001, 247,625 were men and boys and 182,376 were women and children. Many of the women were old women—feeble and dependent. Nearly all of them were going to sons or other relatives, but in many instances those sons or other relatives had all they could do to provide for their own immediate families. A case in point was brought to my attention the other day. A feeble woman of 70 years had come here to her son. Her son had a wife and five children to support. He was earning the wages of a day laborer. In the event of his death or of accident to him there would be five children and the old mother dependent upon charity.

Mr. BANKHEAD. Exactly. I just wanted to call the attention of the chairman of the committee to the danger he is assuming here in allowing such liberality of amendment to this bill which he has brought in and stood sponsor for.

Mr. JOHNSON of Washington. If the amendment goes in at all it should be in its place and voted either up or down.

Mr. BOX. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. BOX. I want to know whether consideration has been given to the fact that there is a great number of native-born Japanese on the Pacific coast, who can bring in their brothers and sisters under that clause?

Mr. JOHNSON of Washington. The statistics show that they would not be native-born citizens of 21 years of age within the time in which this act would be effective, in 14 months. Out of the 150,000 Japanese or orientals out there on the Pacific coast there is not one in 5,000 or in 10,000 who has reached that age.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. SIEGEL].

The question was taken; and the chairman announced that the yeas appeared to have it.

Mr. SIEGEL. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 31, yeas 24.

Mr. BANKHEAD. I ask for tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama demands tellers.

Tellers were refused, 18 members, not a sufficient number, seconding the demand.

Accordingly the amendment was agreed to.

Mr. VAILE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VAILE: Page 7, line 13, after the word "daughter," strike out the period, insert a semicolon, and add: "but no application may be made under this paragraph in case of any relative by adoption."

Mr. VAILE. This amendment is offered to answer the criticism made with regard to adopted relatives.

Mr. GARD. I desire to call attention to the fact that in the proposed bill, in line 11, page 7, it permits one who is an alien, but a resident of the United States, to make application in reference to an otherwise admissible husband or wife; so that we have the remarkable situation under this bill of the House a minute ago preventing a citizen of the United States sending for her husband, while you permit one who is an alien to send for her husband. I submit that there should be some correction in the interest of harmony in the bill.

Mr. JOHNSON of Washington. When a man is a citizen his wife is presumed to be a citizen also, so you propose to add something to what is already a citizen's right.

Mr. GARD. No. It would seem to me that if you grant the right to an alien to send for her husband, you should certainly have that same privilege accorded to a citizen of the United States.

Mr. BLANTON. That is a right a citizen already has. A man who is a citizen of the United States has a right to send for his wife, because she is a citizen.

Mr. GARD. But that does not give the wife who is a citizen the right to send for her husband.

Mr. BLANTON. If the wife is a citizen, she would have the same right.

Mr. STEPHENS of Ohio. If the wife has a foreign husband, she is not a citizen of the United States.

Mr. BLANTON. No; she would not be a citizen of this country.

Mr. GARD. The bill gives the right to an alien who has declared her intention to become a citizen of the United States to send for her alien husband.

Mr. STEPHENS of Ohio. She is an alien, and under this she can send for her husband.

Mr. GARD. I understand that; but what I have been contending for is that a woman who is an American citizen should have the same right to send for her husband.

Mr. VAILE. There can not be any such thing as a woman citizen with an alien husband. If the husband is an alien, that makes his wife an alien.

Mr. MANN of Illinois. Perhaps the gentleman can explain how, while a woman with a foreign husband can not be a citizen of the United States, she can still declare her intention to become a citizen of the United States while she has a foreign husband. Supposing she is the wife of a foreigner, can she become a citizen of the United States without her husband becoming a citizen?

Mr. SIEGEL. Yes.

Mr. MANN of Illinois. Gentlemen have assured us that she could not.

Mr. SIEGEL. Some of the courts are admitting them and some of the courts are not admitting them.

Mr. MANN of Illinois. That shows that the law on the subject is not settled.

Mr. SIEGEL. No; it is not settled. The naturalization bill which we have on the calendar here—

Mr. MANN of Illinois. That is not the law.

Mr. SIEGEL. No; that is not the law; but that tries to cover the subject.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. VAILE] has expired.

Mr. SABATH. I do not know whether this matter is clear to the chairman of the committee or not. Of course, I know it is clear to the other gentlemen, because they know all about it; but the gentleman from Ohio [Mr. GARD] propounded a question the contention of which is correct, namely, he maintains that it is possible for an American woman who has acquired citizenship or who was born here as an American citizen, but who might have visited Europe and married over there, to come back to the United States. Is it contended that she has lost her citizenship because she has married a foreigner who has never been in the United States?

Mr. SIEGEL. Yes. The law is that the moment she marries a foreigner she has lost her American citizenship. The gentleman is probably familiar with the fact. He has reported out several bills to repatriate a number of these women. In the event that her foreign husband dies, ipso facto she gets her citizenship back.

Mr. VAILE. That is one of the planks on which the next Republican Congress was elected.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Colorado [Mr. VAILE].

The amendment was agreed to.

Mr. DAVEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVEY: Page 7, line 7, after the word "dead" insert a period. Strike out the words "and any alien who has," and all of lines 8, 9, 10, 11, and 12, and the word "daughter," on line 13.

Mr. DAVEY. Mr. Chairman, it seems to me that the purpose of inserting this provision—that is to say, the purpose of the committee—was undoubtedly to liberalize the bill. It also seems to me that they have gone too far in their efforts to liberalize it, and I fear that their generous impulses may leave so many loopholes that the very purpose sought to be accomplished

by this bill will be largely lost. Gentlemen, I believe it is safe to say that there are hundreds of thousands of foreign born in this country who have declared their intention to become citizens but who have never availed themselves of the right and have let the time limit expire. It means nothing for an alien to declare his intention unless he actually completes the operation and assumes the full rights and responsibilities of citizenship. I believe that we owe nothing to the man who has merely declared his intention to become an American citizen and that we owe nothing to any man until he becomes a full-fledged citizen.

If I am not mistaken, it is admissible for an alien to declare his intention within two years. We have a flood of aliens in this country now—all too many, I think, for the possibility of proper assimilation—and it seems to me that if we permit this provision to remain in the bill it liberalizes it to the point of danger and will permit of great abuse. I can imagine under this provision a rush of newer aliens to make declaration of intention merely to provide themselves with technical grounds to evade the terms and purpose of this bill.

If this is to accomplish the purpose which the proponents claim, it must to a very large degree close the doors and allow this country time to adjust itself to the aliens within our borders, to show them the heart and spirit and purpose of America, to make Americans of them as far as their temperament and character make possible. I have nothing against aliens as such. My own father was an immigrant, who came to this great land of freedom and opportunity nearly 50 years ago, not so much to escape something on the other side, but chiefly because America called to him with an irresistible call, as it has to so many other millions of Europe's best blood.

But, gentlemen, America needs to be protected now against too great an influx of those who do not and can not appreciate our country and her institutions and whom we can not assimilate by any process. We have got a job on our hands to take care of those who are here, some of whom are decidedly of the wrong kind. I would do no injustice to the American citizen, but I believe we owe nothing to those who have merely declared their intention until the time when they become possessed of full citizenship. And especially do we owe nothing to those aliens the hundreds of thousands of whom have declared their intention and have made no honest effort to complete the undertaking in good faith, who have never taken advantage of the sacred opportunity of American citizenship.

This matter of citizenship in America is a great unmatched privilege. To us it is a priceless heritage, to be guarded with jealous care. To the newcomer it must be equally significant and precious if America is to remain secure. We have handed it out too carelessly and too generally. We need to tighten up. It is right that this bill should be reasonably liberal toward full citizens of foreign birth, but it ought never to leave the bars down for the benefit of aliens in America of whatever status.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment. I regret exceedingly that the gentleman has been misinformed as to this provision when he states that all of these declarants have refused or neglected to become citizens, or have failed to comply with the laws.

Mr. DAVEY. If the gentleman will permit me, I want to correct the gentleman. I made no such statement. I said there were hundreds of thousands who had not completed their naturalization.

Mr. SABATH. I do not know whether the gentleman is aware of the fact that it is necessary for a declarant to wait three years after filing his declaration of intention before he can be finally naturalized. Unfortunately during the last few years, due to the conditions of the war, many applicants only too anxious to be naturalized have been prevented from becoming citizens through no fault of theirs. In many cases they appeared two, three, and five times to be examined, but due to the lack of force which we have failed to provide the Naturalization Bureau they were unable to be examined in due time, and consequently the delay. I know that in many instances some applicants or declarants have been waiting for years to be naturalized, have made application several times, and have pleaded that their applications be considered, but have not succeeded.

Mr. McKEOWN. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. McKEOWN. Is there any provision now requiring them to complete their naturalization papers in any given time?

Mr. SABATH. There is.

Mr. McKEOWN. What is the time?

Mr. SABATH. Seven years. If they file a declaration of intention, they must complete it within seven years, other-

wise the statute of limitation runs against them and it becomes necessary to file a new declaration.

Mr. BOX. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. BOX. Is it not true that under this bill, after the bill goes into effect, an alien can file his intention one day and the next day make application to get his parents or relatives from Europe?

Mr. SABATH. That might be true, after the bill passes.

Mr. BOX. Is not that what this language means?

Mr. SABATH. That is what the bill provides. It is not yet a law, and I know it will not be a law, because I have confidence that even if the House passes the bill and if the Senate passes the bill the President will be compelled to veto such a piece of legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and the Chair being in doubt, a division was ordered, and there were 14 ayes and 29 noes.

So the amendment was rejected.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 6, line 24, strike out all of section 4.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, may I have the attention of the chairman of the committee? If this subsection "a" should be passed just as written, then, so far as concerns the alien who declares his intention subsequent to the passage of the act, would he be within the provision of the subsection, or is it intended to limit the right to one who declares his intention to become a citizen prior to the passage of the act? I simply want to ascertain how wide is the field of admission.

Mr. JOHNSON of Washington. I did not quite catch the gentleman's question.

Mr. MOORE of Virginia. Assuming that the act becomes effective on the 4th of March, and that on the 4th of July an alien declares his intention to become a citizen, would he be included in this particular subdivision?

Mr. JOHNSON of Washington. Yes; I think so, provided he goes to the Secretary and gets his permit, remembering all of the time that this has been reduced to 14 months.

Mr. MOORE of Virginia. You do not intend to limit the provision to those who declare their purpose prior to the enactment of the law?

Mr. JOHNSON of Washington. The last few lines of that liberalizing clause is that if men send for their wives after taking out their first papers, which they may do on arriving in the United States, they are better off than if they do not.

Mr. MOORE of Virginia. I do not think the gentleman understands the question that I am trying to propound.

Mr. JOHNSON of Washington. I think the law indicates that those who declare their intention after this becomes a law will be included.

Mr. MOORE of Virginia. According to the best information that I can get, there are something like two or three million aliens here, probably nearer three million than two million, who have not yet taken out their naturalization papers.

Mr. JOHNSON of Washington. Oh, more than that.

Mr. MOORE of Virginia. And a very large percentage of them have not even declared their intention.

Mr. BLACK. But they will all declare now.

Mr. MOORE of Virginia. Of course.

The Clerk read as follows:

SEC. 6. Nothing in this act shall be held to repeal the provisions of the joint resolution approved October 19, 1918, entitled "Joint resolution authorizing the readmission to the United States of certain aliens who have been conscripted or who have volunteered for service with the military forces of the United States or belligerent forces," or any amendment thereto.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 8, lines 9 and 10, strike out the words "Nothing in this act shall be held to repeal the provisions of the" and insert in lieu thereof the word "The," and on page 8, lines 14 and 15, strike out the comma and the words "or any amendment thereto" and insert in lieu thereof the words "it is hereby amended by adding thereto a proviso reading as follows:

"Provided, That if any such alien shall on arrival at a port of the United States be found to be afflicted with a loathsome or contagious disease, such alien shall not be readmitted until he shall have been treated in hospital and the disease reduced to a noncontagious disease."

Mr. JOHNSON of Washington. Mr. Chairman, the necessity for that amendment is apparent on its face. Since the signing of the armistice two years have elapsed and still we permit certain men who went out to come in under the joint resolution of October, 1918, and if they are afflicted with disease we want them to be taken care of in hospitals.

Mr. WALSH. Where are they to be treated—in hospitals in this country?

Mr. JOHNSON of Washington. Yes. They will have to be treated exactly the same as we undertake to treat other diseased aliens who are found on arrival here, and also sailors and seamen.

Mr. WALSH. Is there any considerable number of this class?

Mr. JOHNSON of Washington. I think not. This is a protective clause, necessary on account of the lapse of time.

Mr. RAKER. Mr. Chairman, what is the purpose of this amendment?

Mr. JOHNSON of Washington. Where soldiers were permitted to come back under joint resolution of October, 1918, two years or more having elapsed, they must be in good health when they come into the United States.

Mr. RAKER. Is not that resolution in force to-day?

Mr. JOHNSON of Washington. Yes; it is in force as a resolution; but we have to carry it in the form in which we carry it in this bill.

Mr. RAKER. It prohibits the entrance of people afflicted with loathsome or contagious diseases.

Mr. JOHNSON of Washington. We have to carry it, because it admits a diseased class. The amendment is brought to me by the Department of Labor, and I think it is proper.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

The amendment was agreed to.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word. I want to ask the chairman a word or two about section 5. I notice that it refers to the fourth provision of section 3 of the immigration act. Is it the intention of section 5 to make another class in addition to what is already enumerated in proviso 3?

Mr. JOHNSON of Washington. I will explain that this measure is not intended to supersede the immigration act. It provides certain suspensions, and among the provisions referred to is one to the effect that if certain skilled labor of any particular kind can not be found in the United States it can be brought in. For instance, take the maker of eyeglasses or diamond cutters.

Mr. McKEOWN. Is it to include an additional class to those already enumerated?

Mr. JOHNSON of Washington. This undertakes to carry a provision in the present immigration law to the effect that if you can not find certain skilled labor in the United States you can let them come in from the outside.

Mr. McKEOWN. The language of section 3 in the immigration act, to which I suppose reference is made, is that the provisions of the law applicable to contract labor shall not be held to exclude professional actors, artists, and so forth.

Mr. JOHNSON of Washington. Oh, that is not the provision. It is the fourth provision of section 3. The gentleman is on the wrong page.

Mr. VAILE. This refers to skilled labor, if otherwise admissible, which may be imported, if labor of a like kind can not be found in this country.

Mr. McKEOWN. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 7. During the period of suspension provided for in section 2 otherwise admissible aliens who have resided continuously in the Dominion of Canada, Newfoundland, the Republic of Cuba, or the Republic of Mexico for at least one year, and who are not persons of the classes hereinbefore exempted, may be temporarily admitted, for a period not exceeding six months, from such countries, under such rules governing entry, inspection, temporary stay, and departure as may be prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor.

Mr. JOHNSON of Washington. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 8, line 20, strike out all after the word "year" down to and including the word "exempted" in line 21.

Mr. JOHNSON of Washington. Mr. Chairman, the text has words which are unnecessary in the paragraph and the amendment takes out the words in line 21, "and who are not persons of the classes hereinbefore exempted," which are unnecessary. I ask for the adoption of the amendment.

Mr. WINGO. Mr. Chairman, I simply take advantage of the right to oppose the amendment so as to discuss another matter in the same paragraph. In the first line of section 7 I find the word "suspension." In a hurried examination of the bill I believe this is the only place where the word "suspension" is used. I ask the chairman of the committee if I am correct, if it is the only thing outside of section 14 that indicates that the present existing laws are simply suspended during the life of this act. Is there any other place which covers the question?

Mr. JOHNSON of Washington. The gentleman means a suspension of the law?

Mr. WINGO. The present existing laws.

Mr. JOHNSON of Washington. Immigration is suspended for the life of the bill now as amended for 14 months.

Mr. WINGO. That is the point. Mr. Chairman, I am one of those who have always believed we were too lax in admitting the foreign born to the United States. I will not go into the distinctions I have always made in the classes I was willing to bring in, but we have reached that point that a great many men predicted during the last 20 years where everybody admits that there should be what the chairman this morning called at least a "stop gap" for a while, so we can take stock and clean house and find out where we are. I really hailed with delight the press reports on this bill, because I thought really we were going to restrict immigration for two years. As one who carefully examines the provisions of every act he has to vote upon and as a lawyer trying to understand that upon which I am called to vote, I have found my enthusiasm for this measure waning. I have found that I am forced with deep regret to the conviction that this bill at best is but a "French gesture." My candid opinion as a lawyer is that this bill will not exclude one single immigrant that the present existing law does not exclude. If I vote for it it will be because of the supposed sentiment that it does restrict immigration at least for a while. I shall have to be satisfied, though, that the word "suspension" used here in section 7 does not leave us at the end of the 14 months' period worse off than we are now. Why? Let me submit this proposition to the lawyers of this House: Section 2 makes the sweeping provision that it is an absolute bar to immigration with certain exceptions. Reading those exceptions and reading the provisions of the bill you will find that the text of this law covers the whole question of immigration and the admission of immigrants to this country, and how any judge undertaking to interpret the intention of Congress can escape the conclusion that Congress took up the whole subject matter and legislated on it, and thereby by implication repealed all other laws in reference to it is something I can not understand. I am met with the suggestion that section 14 says that—

The provisions of this act are in addition to and not in substitution for the provisions of the immigration laws.

Now what does that mean? That is just about as clear so far as the legal proposition I suggest as one would be providing that white shall not be interpreted as black, nor shall black be interpreted as white. It is in addition to but not in substitution for. If any provision of this act contravenes any part of the existing statute the court will say by necessary implication the conflicting statute is repealed. Of course without saying this in section 14 if there is any new provision not covered by existing law it is in addition to the present existing law. Does section 14 say that the provisions of this act are in addition to and not in substitution for the provisions of existing laws, and that such laws shall continue in full force and effect at the expiration of the suspension period provided by this act?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WINGO. May I have three minutes more?

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. WINGO. Now, Mr. Chairman, I want to suggest to the lawyers on the committee in a friendly way that section 2 makes a broad general bar of immigration, subject to certain exceptions. Then you state those exceptions that cover nearly every class the present laws do. If you consider it as a lawyer, how can you escape the conclusion that Congress had taken up the whole subject matter and rewritten the law and stated that at the expiration of one year or two years there shall be no law? That is my humble interpretation as a lawyer, and I suggest to the lawyers on the committee that when you get to section 14 you make your expressed intent clear, and that is for two years your present immigration laws shall not control so far as the provisions set out in this particular act are concerned and at the end of the two years or 14 months that your present laws go into operation again. If that is the meaning, why not make that declaration by a clear specific provision of the statute? If you do not do it, gentlemen, you will be charged

with having deliberately placed upon the statute books a sham and a hypocrisy—and they will use stronger language than the language I have used—that the bill at best is but a "French gesture," and in voting for it I shall vote for it on the theory that its expressed intent meets with my general convictions upon the subject.

Mr. SEARS and Mr. BOX rose.

The CHAIRMAN. The gentleman from Texas [Mr. Box] is recognized.

Mr. BOX. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

Mr. JOHNSON of Washington. Mr. Chairman, we have an amendment pending.

The CHAIRMAN. An amendment is already pending, offered by the gentleman from Washington [Mr. JOHNSON]. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. Box] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BOX: Page 8, after line 16, strike out lines 17, 18, 19, 20, 21, 22, 23, 24, and 25, inclusive.

Mr. BOX. Mr. Chairman, I do not wish to argue the amendment.

Mr. SEARS. Mr. Chairman, I would like to offer a perfecting amendment. That strikes out the paragraph.

The CHAIRMAN. The gentleman has that right.

Mr. SEARS. On page 8, line 18, after the word "Canada," insert a comma, and insert "Bermuda and Bahama Islands."

Mr. SABATH. Mr. Chairman, the amendment of the gentleman from Texas will strike out the entire section.

The CHAIRMAN. There is another amendment now pending. The amendment of the gentleman from Texas will come later.

Mr. SEARS. Mr. Chairman, I trust the chairman of the committee will not oppose the amendment I have offered.

The CHAIRMAN. The gentleman from Florida [Mr. SEARS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SEARS: Page 8, line 18, after the word "Canada," insert "Bermuda and Bahama Islands."

Mr. SEARS. Mr. Chairman, during the period of the war under certain legislation the Secretary of Labor was directed to permit Bahama negroes to come into Florida for the purpose of growing our vegetable crop. This class of labor only stays about three months and then goes home. There can certainly be no objection to that amendment. I see that under this section citizens of Mexico are permitted to come to this country, and unless this amendment is granted it will do a material injury to the growers, many of them being northern people. You can not get labor in this section, because it is only for a few weeks. They take the boats and go and bring the laborers over under certain restrictions, and after they are through with them they go back.

Mr. MOORES of Indiana. Mr. Chairman, I move as an amendment to the amendment of the gentleman from Florida the amendment which is in the Clerk's hands.

The CHAIRMAN. The gentleman from Indiana moves a substitute to the amendment of the gentleman from Florida, which the Clerk will report.

The Clerk read as follows:

Amendment of Mr. MOORES of Indiana as a substitute to the amendment offered by Mr. SEARS:

"Page 8, line 18, after the word 'Newfoundland,' insert 'Bermudas, the islands of St. Pierre and Miquelon, the British, Dutch, and French possessions in the West Indies and Central and South America, and the Republic of Panama.'"

Mr. MANN of Illinois. I make the point of order that is not proper as offered to the amendment of the gentleman from Florida [Mr. SEARS].

Mr. MOORES of Indiana. Is it not an amendment in the sense that it enlarges his amendment? It adds the adjacent islands.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] will please submit just what his point of order is.

Mr. MANN of Illinois. In the first place the amendment is not offered in the same place in the bill. I suppose the chairman will discover that by looking at it. It could be offered at the same place in the bill.

The CHAIRMAN. The gentleman from Illinois is right. It is not offered at the same place.

Mr. MOORES of Indiana. Mr. Chairman, I ask unanimous consent to offer it after the word "Canada" then, and I would like to be heard on it for a few minutes.

Mr. MANN of Illinois. Well, I withdraw the point of order.
Mr. BANKHEAD. Mr. Chairman, let us have a vote on the Sears amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. MOORES] is recognized to speak in support of his amendment to the amendment of the gentleman from Florida.

Mr. MOORES of Indiana. Mr. Speaker, when the Diplomatic appropriation bill was presented to the House last summer it was presented originally in the form in which this bill is. For reasons of expediency it was so amended to follow substantially the form which I have stated in this amendment. The reason for that is this: We have with England, with France, and with the Netherlands treaties which contain the "favored-nations" clause, and they are entitled to similar treatment. There is no reason for including the Dominion of Canada which does not include the Dominion of Newfoundland. There is no reason for including Newfoundland which does not apply to those almost microscopic islands, the islands of St. Pierre and Miquelon, which belong to France, adjoining Newfoundland, which is a small distance away. The Bahamas are a separate possession of Great Britain and the Barbados are a separate possession, and Jamaica is a separate possession. But the British possessions in the West Indies, which are practically only a short distance from the coast of the United States, would entitle all the British possessions adjacent to the United States, although not touching it, to like treatment. There is no reason why we should not treat Panama, which is under substantially the same form of government, as Cuba. It is under almost an American protectorate. There is no reason why we should not treat Panama or the people of Panama as we treat the people of Cuba and Mexico. It seems to me we are in constant communication with the Bahamas, and those people come and go. There is no reason why they should be excluded. We are in constant touch with Barbados, and their people ought to be included. And the amendment is reasonable because it includes the small countries in like situation belonging to England and France. And the island of Curacao, for instance, belongs to Holland, and Martinique belongs to France, and we are in constant touch with them. We grant permits of six months to the Mexicans and the Canadians, and why should we not grant permits to citizens of Great Britain, citizens of France, and of the Netherlands, who have to come and go?

Mr. McKEOWN. Does the gentleman's amendment include Santo Domingo and Haiti?

Mr. MOORES of Indiana. It does not.

Mr. McKEOWN. Does it include Nassau?

Mr. MOORES of Indiana. It does.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. When the gentleman from Indiana [Mr. MOORES] offered his amendment, a point of order, as I understood, was made against it by the gentleman from Illinois.

The CHAIRMAN. The gentleman from Illinois withdrew it.

Mr. DEWALT. Will the gentleman from Indiana yield?

Mr. MOORES of Indiana. I yield to the gentleman from Pennsylvania.

Mr. DEWALT. I suppose the gentleman is advocating his amendment under the favored-nation clause?

Mr. MOORES of Indiana. The most-favored-nation clause.

Mr. DEWALT. Under the favored-nation clause, as no doubt the gentleman understands it and as I understand it, the British possessions would give the same right to our citizens as we are now attempting to grant to the citizens in a portion of their territory?

Mr. MOORES of Indiana. That is true.

Mr. DEWALT. What you are attempting to do, then, is to include some other possessions of England and Holland under the favored-nation clause, and therefore you say it is just that they should be included?

Mr. MOORES of Indiana. Yes; I think so.

Mr. HENRY T. RAINEY. Mr. Chairman, I desire to offer an amendment. Not long ago I presented an amendment which the committee did not accept, an amendment which would provide for the admission of farm laborers during the period of exclusion provided for in this bill, provided they came here as farm laborers, to go back when the work was over.

Section 7, the section we are considering now, provides that farm laborers can come here from Canada, Newfoundland, the Republic of Cuba, and the Republic of Mexico under such limitations as the Commissioner General of Immigration, with the approval of the Secretary of Labor, may impose for a period not to exceed six months. In other words, under the bill as drawn, laborers for the fruit orchards of the Northwest and for the lumber mills of the Northwest can come over here, but farm laborers who want to work in Illinois and Iowa can not come.

Under the bill as drawn now, Mexicans can come to this country and can work in the sugar-beet fields of the sugar-beet sections of the West, but they do not work in wheat fields nor corn fields.

Mr. JOHNSON of Washington. Those in Mexico and Canada can come when otherwise admissible under the literacy test and on the payment of the head tax.

Mr. HENRY T. RAINEY. Yes. Under the bill as now drawn, the railroads can continue to do as they do now and bring them in from Mexico if otherwise admissible. I want to know what is the objection to admitting farm labor from any country in the world, if otherwise admissible, under such rules and regulations as the Commissioner of Immigration and the Secretary of Labor may prescribe, and I want to offer a substitute for pending amendments which would have the effect of admitting laborers under this section for six months, if otherwise admissible under the law, except from oriental countries. I will ask the Clerk to report my amendment.

The CHAIRMAN. The Chair will state that one substitute for the amendment is already pending. Until that is disposed of another will not be in order.

Mr. HENRY T. RAINEY. Very well. I will offer it later on.

The CHAIRMAN. The question is on agreeing to the substitute amendment offered by the gentleman from Indiana [Mr. MOORES].

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. WALSH. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts asks for a division.

The committee divided; and there were—ayes 20, noes 34.

So the substitute amendment was rejected.

Mr. HENRY T. RAINEY. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. The gentleman from Illinois offers a substitute amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HENRY T. RAINEY: In lines 18 and 19 of page 8, strike out the words "in the Dominion of Canada, Newfoundland, the Republic of Cuba, or the Republic of Mexico," and insert in lieu thereof the following: "in the country from which they come, except oriental countries."

Mr. HENRY T. RAINEY. Mr. Chairman, this amendment is offered not in the interest of favored nations, but in the interest of all the people of this country, so that no one section of this country can be favored by this section of the bill to the exclusion of other sections.

The bill as drawn now permits laborers to come here for the lumber camps in Maine and in the Northwest. They can get labor in New England from Canada for a great many purposes under this bill. Labor can come here from Cuba under the bill as drawn for the purpose of working in the vegetable-producing sections of Florida. Labor does come here from that section.

This amendment simply excludes those countries in the world, oriental countries, from which what we usually consider undesirable labor comes, and extends the benefits of section 7 and its exemptions to the entire country and to all the industries of this country, including wheat farmers and corn farmers and all those who produce food animals or are engaged on dairy farms.

The CHAIRMAN. The question is on agreeing to the substitute amendment offered by the gentleman from Illinois.

The question was taken, and the substitute amendment was rejected.

The CHAIRMAN. The question is now on agreeing to the amendment offered by the gentleman from Florida [Mr. SEARS].

The question was taken; and on a division (demanded by the chairman) there were—ayes 22, noes 38.

So the amendment was rejected.

Mr. HUDSPETH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HUDSPETH: Page 8, after the word "aliens," in line 17, insert a comma and add the following: "including those applying for admission temporarily, pursuant to the last proviso in section 3 of the immigration act."

Mr. HUDSPETH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. HUDSPETH) there were 22 ayes and 39 noes.

So the amendment was rejected.

Mr. LUCE. Yesterday the committee demurred at a provision which would permit the entry into the United States of an alien who in some period of the past had lived here. In view of that, will the chairman of the committee explain whether the first clause of section 7, in line 17, means that an alien is to have resided continuously in the country concerned for one year before the time of the passage of the act or means that he must have there resided at any time for one year continuously?

Mr. JOHNSON of Washington. At the time he applies for admission.

Mr. LUCE. In the case of a Canadian who has been working in Buffalo in the course of the last 12 months and has been residing there, but has returned to Canada, can he secure entry under the provisions of this section, not having resided continuously for the preceding year in the Dominion of Canada?

Mr. JOHNSON of Washington. My impression would be that not having resided in the country in which he claims he lived or belonged, if he goes out of the country where he is now domiciled, namely, the United States, he has to come back under this passport provision.

Mr. LUCE. If he has not resided continuously in Canada one year, but has been working some part of the year in Detroit or Buffalo, he is precluded from returning?

Mr. JOHNSON of Washington. Yes; under section 7.

Mr. LUCE. Mr. Chairman, I withdraw my pro forma amendment and offer the following amendment:

The Clerk read as follows:

Amendment offered by Mr. LUCE: Strike out all of section 7 and insert in place thereof a new section, as follows:

"Sec. 7. During the period of suspension provided for in section 2, otherwise admissible aliens who have been citizens of the Dominion of Canada, Newfoundland, the Republic of Cuba, or the Republic of Mexico, for at least one year prior to the passage of this act, may be admitted from such countries under such rules governing entry and inspection as may be prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor."

Mr. LUCE. This amendment is not alone of importance to the people of Buffalo, Detroit, Toledo, Sandusky, Lockport, Ogdensburg, and all other places along the border, but also it is of importance to the manufacturing interests of New England. Lest somebody may not have heard my statement yesterday, permit me to repeat that in my own district dwell about 50,000 persons who were born in Canada or who had one parent born in Canada. There are several thousand of them undoubtedly who are still citizens of Canada. They are frequently journeying to and fro, coming to us when work is plenty, returning when work is slack. From my city of Waltham, for example, it may prove that many watch-factory operatives will have returned to Canada within the last 12 months prior to the passage of this act. Such operatives will be absolutely forbidden from returning to their positions in the factory during the period of this suspension. This thing would bear with extreme hardship on the State of Maine, where many hundreds of Canadians come in to work in the factories and also to work in the logging and river driving operations. It would be an extreme hardship to many who have been working in Vermont and northern New York. I can not believe that the committee ever contemplated any such situation as would be produced by putting a barrier in the way of persons who have been working in this country, while leaving no barrier of consequence in the path of persons who have not been working in this country.

The committee surely can not intend to make it impossible for an operative whom we have trained in the delicate art of making watches to return while permitting the untrained persons who have never been engaged in the manufacture of watches to enter. The same thing is true of the operatives of our textile mills and the workers in the automobile factories in Detroit and Cleveland and other places which perhaps next summer will resume activities as before.

The bill in effect says that no such person at home when the law takes effect shall come here if he has been here within a year. He may come only if he has not been within a year.

To meet this absurd situation I have rewritten the section so that it will take down all unusual barriers in the way of travel back and forth between the United States and these adjacent countries by persons who have been citizens of these adjacent countries for a year. There will be little chance of fraud under this provision. It will be impossible for aliens from across the sea, whom we so much fear, to secure citizenship temporarily in Mexico or elsewhere and forthwith come here. They must have been citizens for a full year. From those who have been such in adjacent countries for a year I would remove the barriers.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. I am in hearty accord with my colleague from Massachusetts [Mr. LUCE] in his effort to care for working people who have been in this country or who may at the present time be in this country, who have had occasion to return to Canada or other adjacent countries. I have had before the Department of Labor within the past few months a very marked instance of the kind of hardship to which he refers. A skilled employee in a paper mill in my district was sent by his employers to Canada. It was actually a part of his service to go over to Canada to train men in a factory belonging to that company in Canada. When it came time for them to order him to return to this country, the barrier is put in his way and he is prevented from returning, except that the company by whom he is employed shall give a bond, and then he can stay only six months. The section which my colleague criticizes will continue that condition or make it worse, and I think that the committee having this very important matter in charge ought to be agreeable to the acceptance of either the amendment of my colleague or some similar amendment which will not deprive a man of the opportunity of remaining in this country and securing citizenship. The man to whom I refer had applied for his first papers, but this fact gave him no advantage. By temporarily visiting Canada, due to the order of his employers, he is now prevented from returning here, a condition which I am sure is not only a hardship to the man, but a distinct disadvantage to the employers themselves, who have frequent occasion to send men back and forth across the Canadian border. I can see no merit in a law which prevents a skilled workman from returning here after once having been in this country and temporarily going back to Canada.

I have had a long correspondence with the Department of Labor in connection with this particular case, and have been positively refused any relief under the statute as applied by Assistant Secretary Post. If the amendment offered by my colleague will correct this situation in the future, I certainly hope that for the benefit of the employer as well as the employee in many cases in my State and elsewhere it will be adopted.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. RAKER) there were—ayes 36, noes 37.

Mr. LUCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and Mr. LUCE and Mr. JOHNSON of Washington were appointed to act as tellers.

The committee again divided; and the tellers reported—ayes 41, noes 62.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas [Mr. Box].

The Clerk read as follows:

Amendment by Mr. Box: Page 8, after line 16, strike out the section.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BOX. Mr. Chairman and gentlemen, I am very much afraid that the presence of this paragraph will weaken the law. We have witnessed here to-day a great many demands for exception in favor of this class or that class, and I doubt the wisdom of retaining this paragraph. It provides for the temporary admission of people from the countries named, though they will, of course, have to pass the literacy test and pay the head tax and can not be brought in as contract laborers. I think that the bill could be made applicable to border travel without weakening it in this manner. I shall have to submit this, however, to the judgment of my colleagues.

Mr. JOHNSON of Washington. Mr. Chairman, in opposition to the amendment permit me to say that I think that we will find that this provision as written in the bill is necessary under treaties which we have. It is similar, with the exception of the six months' restriction, to that which is in the present law, and the only way that can be provided for the exchange as between contiguous countries with the people of the United States. I hope the amendment will be rejected.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. WALSH. Do I understand the chairman of the committee to say that there are treaties with any nation which require us to admit nationals of any nation temporarily under some such arrangement as is contemplated in this section?

Mr. JOHNSON of Washington. Not exactly; but of course, as the gentleman understands, most treaties guarantee the right of nationals to come and go, but with regard to Canada and the United States we have a particular reciprocity with regard to the coming and going of citizens.

Mr. WALSH. What I would like to know is why it is provided that nobody shall come in here except students and one or two other classes and then in section 7 it is provided that the commissioner general may admit anybody he wants to temporarily, provided they are otherwise admissible—that is, if they can pass the literacy test and conform with the other provisions of the law.

Mr. JOHNSON of Washington. For a period of six months: Let me explain how the thing works. People come from Canada now freely. They are asked to show their business cards either on trains or boats. They satisfy the inspector very quickly that they are here on a temporary business visit. However, if a man comes along who is likely to stay here, they take his head tax, and it is held for six months. If the man never calls for the head tax, it is assumed that he has remained in the United States. If he returns to Canada within the six months and asks for the head tax back, he gets it. That is the arrangement between Canada and the United States.

Mr. WALSH. Will not the effect of this section be that instead of permitting aliens to come in here and reside temporarily from these countries, it will permit them to come in here for a vacation of six months. It does not provide that they have got to work.

Mr. SIEGEL. They can come in for business.

Mr. JOHNSON of Washington. Under regulations that can be made.

Mr. WALSH. Can a regulation provide that the man must work on a farm or in a factory, must pick cotton, for instance? Can the Secretary impose any such restriction, provided he can pass the literacy test and pay the head tax? The Secretary of Labor can provide that he must work picking cotton?

Mr. JOHNSON of Washington. No. He will not provide anything of the kind. As a matter of fact, the gentleman from Texas asked me about this a minute ago and got a statement out of me the other day at the conclusion of a 20-minute speech, when I was foolish enough to yield to him when he would not yield to me to correct a statement. As a matter of fact the Secretary of Labor in the past couple of years probably made a mistake in permitting Mexicans to come in here to do certain work on certain farms.

Mr. TIMBERLAKE. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I rise for the purpose of asking the chairman of the committee a question with reference to section 7. I am very much interested in the proposition of endeavoring to preclude entrance into this country of a class of workers that has been heretofore admitted to take care of a certain class of labor which can not and has not been able to be handled by our American laborers. I refer to the sugar-beet culture in Colorado. In my district there are 11 sugar-beet factories.

Mr. JOHNSON of Washington. Let me ask the gentleman a question. That can be cultivated by Japanese or Chinese labor?

Mr. TIMBERLAKE. It might if obtainable. But we found the best labor for that is the Mexican laborer, and we have heretofore been able to get a permit from the Secretary of Labor for this labor to come into the United States for the season of the crop work and then return. The question I desire to ask the chairman is whether under section 7 that would be permitted by this bill?

Mr. JOHNSON of Washington. Yes; if they can read and pay the head tax and want to pick the beets, they can come in.

Mr. MANN of Illinois. With this modification, if the gentleman will permit, that if they were here this summer they can not come next summer. They can come the summer after that.

Mr. TIMBERLAKE. We can not do without that labor for the beet crop of next season.

Mr. MANN of Illinois. If this becomes a law, those who work here this summer can not come in next summer.

Mr. JOHNSON of Washington. They would not come. They earn so much money they will not come in. They will stay down in Mexico and spend their money in singing and dancing.

Mr. TIMBERLAKE. Permit me to say, and to correct the chairman, that this same character of labor has come into Colorado for the last four seasons under permit by the Secretary of Labor. If this provision will prohibit that, I am opposed to it.

Mr. WALSH. Will the gentleman yield?

Mr. TIMBERLAKE. Yes.

Mr. WALSH. What is the gentleman's position, that these laborers should be permitted to come into Colorado and work in the beet fields and when they get through they must go back to Mexico, but other aliens who might make desirable citizens shall not be permitted to come in at all from any other country?

Mr. TIMBERLAKE. I do not believe that unobjectionable aliens should be excluded entirely from coming.

Mr. SABATH. Mr. Chairman, within the last half hour or so we have heard from nearly every section of the country.

The gentlemen from the New England States, from the Western States, and from the Southern States have fairly explained the need of common labor in America, and notwithstanding when it comes to a vote they will vote to preclude the securing of that much-needed labor. They are pleading for their own sections, and are willing that they should have the benefit, but they are not willing that other sections that are in need of labor should have it. I fully appreciate that if the committee had taken a little more time and given more attention and consideration to this legislation the chances are that a bill could have been prepared and submitted to the House that would have eliminated these objectionable features. What amuses me the most is this: For years we have heard gentlemen on the floor of this House complain against these "birds of passage," those people who come here, earn money, and then leave and go home. Mr. Chairman, for years this was the strongest objection raised against immigration, namely, that they come only for the purpose of making some money, and after a few years leave and take it with them. This entire afternoon we have heard pleas on behalf of these very people, that we should permit them to come and after they have earned their money we should tell them to take that money and go back from whence they came. And these appeals in behalf of such aliens come from gentlemen who at all times favored and advocated stringent, yes, complete restriction, and the same gentlemen, notwithstanding their appeals for relief for their sections of the country, will, nevertheless, I am sure, vote for this bill. Mr. Chairman, what these gentlemen advocate is special class and sectional legislation which I can not help designating as special-favor legislation. I believe that we should have legislation that is fair, that is just to all, so that there should be no discrimination as is contemplated by this bill. I hope in view of the fact that the chairman has stated that we can not finish the bill to-day that he and the other gentlemen responsible for bringing in this bill may meet this afternoon or Monday and during that time amend it so that they may come in with at least some sections that will meet with the approval of gentlemen who desire to legislate intelligently and justly to all sections of the country.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LANHAM. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LUCE. Mr. Chairman, I make the same request.

Mr. DAVEY. Mr. Chairman, I make the same request.

Mr. SABATH. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The question is upon the amendment offered by the gentleman from Texas to strike out the section.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 8. Any alien who at any time after entering the United States is found to have been at the time of entry not entitled under this act to enter the United States, or to have remained therein for a longer time than permitted under section 3 or section 7, shall be taken into custody and deported in the manner provided for in sections 19 and 20 of the immigration act.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee if there is any provision in our present naturalization laws rather going to the point as to where an alien after having been admitted and naturalized and proves himself to be a disloyal citizen such naturalization papers can be set aside?

Mr. JOHNSON of Washington. I think probably in cases of fraud it can be done. However, this is an immigration bill and not a naturalization bill.

Mr. McKEOWN. I understand. I want to say this section deals with the deportation of the aliens who have secured entrance into this country and who are not entitled to be here.

I wanted to take this opportunity to say that the question that is giving this committee so much trouble is the same cause of all trouble on the question of immigration, and that is the commercial side of immigration. Various contractors, various persons, interested financially, without regard to the consequences upon the country, are responsible for the trouble Congress is having to-day in trying to stop the great flood of immigration to this country. It is because the people have been admitted to this country for gain, for money, for profit. This country has always been a haven of refuge for those who have been persecuted religiously or politically. It has always been a refuge for a man who wanted to come to a country where he could have freedom and enjoy it, but because certain financial interests found it more profitable to bring cheap labor into the United States, men who had no regard to the results and con-

sequences to this country, brought in thousands of undesirables and caused the necessity for the Congress to act now. I believe that every man admitted to this country and to whom naturalization papers have been granted, and who has been guilty of disloyal conduct, ought to have his papers revoked. There ought to be an amendment to the naturalization act, making provision that any man naturalized who afterwards becomes disloyal or utters words that tend to destroy our form of government, should have his papers revoked, and be deported from the United States. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. KELLY of Pennsylvania. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KELLY of Pennsylvania: After the word "act," on line 7, page 9, add a new section, as follows:

"SEC. 9. That any alien who, in pursuance of the fourth section of chapter 12 of the act of Congress approved July 9, 1918, entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919,' has withdrawn his declaration of intention to become a citizen of the United States with the object of escaping military service, shall, on the warrant of the Secretary of Labor, be taken into custody and deported in the manner provided in sections 19 and 20 of the immigration act; and any such alien who shall have left or who shall hereafter leave the United States, or who shall have been deported under any provision hereof, shall be excluded from the United States."

Mr. JOHNSON of Washington. Mr. Chairman, I will have to make a point of order against that.

Mr. KELLY of Pennsylvania. Will the gentleman withhold it?

Mr. JOHNSON of Washington. I will withhold it for a few minutes.

Mr. KELLY of Pennsylvania. Mr. Chairman and gentlemen of the committee, I sincerely hope that the chairman will not make the point of order against this amendment. In his own original draft of this immigration bill he had the exact wording of this section as I have offered it. While it may be subject to a point of order on a technicality, I am convinced that it should be made a part of this measure.

Mr. Chairman, this measure has been termed a "stop-gap," an emergency law, in order to give us time to work out permanent policies. For what policies? Not alone for a fixed immigration policy but for an Americanization policy which will deal with the vexing problems occasioned by the presence of a great number of aliens now within the borders of this Nation.

Mr. McKEOWN. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield to the gentleman.

Mr. McKEOWN. Does not the gentleman think that a provision should be made that unless aliens learn the English language and read and write it in five years they should be deported?

Mr. KELLY of Pennsylvania. I certainly do. But I believe that in order to encourage these strangers to learn the language of America it is necessary to show that it is worth while. The value must be put into this knowledge, and that can best be done by showing that those who scorn American citizenship shall not be favored above those who do become citizens and learn the language of America. It is for that reason I have introduced this amendment providing for the deportation of all those who escaped military service by the cancellation of their first papers of American citizenship.

Of our 105,000,000 souls, 15,000,000 are of foreign birth and 20,000,000 more are of foreign or mixed parentage. Ten per cent of our population can not read the laws which they are presumed to know. Out of the first 2,000,000 men drafted in the Great War to "make democracy safe around the world" an amazing percentage could not read their orders nor understand them when they were delivered.

It was in the light from the fires of war that the Nation came to see the importance of Americanization. In facing the challenge of autocracy, with all American resources pledged to its overthrow, it was suddenly discovered that the United States was almost in the position in which the dual monarchy had found itself, with unassimilated populations and separate nationalities.

The melting pot had failed in its function, if in fact it had ever existed. There had been no fusing of the various elements in the body politic into one ingot of purpose. Instead there were dross and stones, the scum of the melting pot. There were millions of people in America still thinking as Germans, or Italians, or Croats, or Poles—not Americans.

In many communities there were colonies of folks from foreign lands who retained their national language, customs, and

habits and deliberately excluded everything American while they cherished everything foreign.

In one Pittsburgh suburb an investigation disclosed that in a single district, comprising six city blocks, there were 2,600 residents, of whom only 12 were American citizens. Many of these persons had been in this country more than 20 years, but they frankly stated that they had no intention of becoming American citizens.

In marshaling America's resources for war it was found that the message had to be carried in a score of languages to these peoples who were in America but not of America. The plans of the draft law, Liberty loans, food and fuel regulations, Red Cross, and other activities had to be conveyed in other tongues than the language of America.

It was discovered also, when Uncle Sam called for soldiers to wage the battles of the Nation, hardly 10 per cent of the immigrants arriving here in the past 10 years had declared their intention of becoming citizens. As aliens these residents in many instances gave no answering response to the call for military service. In some 2,200 instances, those who had taken out first papers of citizenship canceled them, so that they might revert to the status of aliens and escape military duty.

Now, Mr. Chairman, the complete Americanization of America is not a political question nor is it a debatable issue. If America is to endure, it must be made a Nation and not permitted to remain a "polyglot boarding house."

That can only be accomplished by proving that American citizenship is a valuable thing, that it means privileges and rights as well as obligations. If we are to persuade these newcomers to become real members of America, they must be shown that there is a real advantage in knowing how to speak and read and write the language of America and a real advantage in knowing the meaning of the laws and institutions of this country.

If we permit these 2,000 or more declarants to cancel their first papers of citizenship to avoid the obligations which should be theirs, we say, in effect, that it is safer and wiser to remain aliens and avoid American citizenship.

Mr. MANN of Illinois. Did not many of these men enlist in foreign service?

Mr. KELLY of Pennsylvania. No; I am informed that these declarants who have been recorded in Government departments, as I have given them, are those who withdrew their first papers in order to escape military service, and who did escape military service, both in this country and in their homelands.

Mr. MANN of Illinois. I know a great many who did that because they wanted to go into foreign service.

Mr. KELLY of Pennsylvania. The section as I have offered it expressly states that only those who canceled their first papers in order to escape military service shall be deported.

Now, Mr. Chairman, I insist that any real Americanization policy must be based upon the idea that American citizenship is a possession of value and that the blessings of life in America shall go to her sons and daughters, native and naturalized, rather than to those who deliberately evade all obligations and remain aliens and who withdraw their declarations in an hour of peril.

Mr. WALSH. I want to ask if the gentleman knows that many of those who withdrew their first papers subsequently accepted positions in industries that had formerly been filled by Americans who went to the front with the colors?

Mr. KELLY of Pennsylvania. That is precisely the fact. A number of these declarants in my district and in other large industrial districts canceled their declarations, claimed the benefit of alienage, and then took the jobs in mills and factories which had been left vacant when American lads went out to war, and they drew down inflated war-time wages at the same time.

For my part I am in favor of taking these men at their word. They said they were outsiders. I am in favor of making them outsiders by putting them on shipboard and seeing that they never return again to the soil they have dishonored. [Applause.]

Mr. Chairman, the problem of Americanization can not be solved by piecemeal and in fractions. It is a task big enough for the whole American people. It must be accomplished at last in the local communities in the public-school houses, where the children may learn Americanism in our educational system, and where the adults also, in the public-school headquarters of the community, may become members of the community together. And one way to assist that is to give an object lesson as to the value of American citizenship by deporting those who had declared their intention to become citizens and to renounce all allegiance to foreign

prince, State, or potentate, and then, when the test of service came, hastened to forswear that declaration and proclaimed themselves aliens.

I hope that no point of order will be made against this amendment, and that it will be written into the bill. [Applause.]

Mr. JOHNSON of Washington. I am compelled, Mr. Chairman, to make the point of order on the ground that it is not germane.

The CHAIRMAN. What is the ground of the gentleman's point of order?

Mr. JOHNSON of Washington. That it is not germane to the bill, and it is not germane to the section.

Mr. KELLY of Pennsylvania. It is a new section.

Mr. SABATH. This is presented in a new section.

Mr. MANN of Illinois. This relates to the enforcement of another act which is entirely apart from this act.

The CHAIRMAN. Section 9 of this bill refers to sections 18 and 20 of the immigration act. This amendment also refers to sections 19 and 20 of the immigration act. The gentleman from Pennsylvania [Mr. KELLY] offers his amendment at the head of section 9 rather than before, and it seems to the Chair that if germane at all, it is germane to section 9, rather than before it. That refers to the amendment of sections 18 and 20 of the immigration act.

Mr. KELLY of Pennsylvania. The section applies to sections 18 and 19 of the immigration act. My amendment refers to exactly the same sections of the immigration act.

Mr. JOHNSON of Washington. Mr. Chairman, these proposed deportations are of people guilty of violations of a certain war act. It is not germane to this matter. For the information of the chairman and the gentleman I may say that outside of the point of order, as chairman of the committee, at any time I am prepared to report that bill adversely. You can not discuss the facts here in a few moments.

Mr. KELLY of Pennsylvania. I want to call attention to the fact that deportation is provided for in section 8. Here is deportation provided for in section 9, a little different in its bearing, but having the same purpose as section 8. I submit it is perfectly germane in this bill to provide for the deportation of those people, as well as those who are provided for in the bill that we are now considering.

Mr. MANN of Illinois. Section 8 provides for the deportation of aliens who violate this act. Section 9 only provides that that deportation shall be in accordance with the provisions of sections 18 and 20 of the immigration act. It does not provide for any deportation for violation of the immigration act, but only for deportation for violation of this act. Here is a proposition to put in a provision for deportation for some offense that is not referred to in this act at all. It has no relationship with anything in this act. It is entirely foreign to the provisions of this act. It certainly is not germane to the provisions of the bill.

The CHAIRMAN. Does the gentleman from Illinois say that section 8 or section 9 of the bill does not amend the immigration act?

Mr. MANN of Illinois. I think it does not at all. It provides for certain deportations in section 8 for violations of the law on the part of those who entered the United States in violation of this act. They are not entitled to enter the United States under this act. Section 9 of the bill provides only for methods, as I understand it, and not for any additional deportation. The only deportations authorized in this act are for violations of this act. Now, of course, if this act had provided that people who violated the immigration act should be deported, then it would be quite permissible to put a further provision in it in reference to the immigration act. But this bill does not cover that at all, as I understand it.

Mr. WALSH. Mr. Chairman, it seems very clear that this is not an amendment to sections 19 and 20 of the immigration act. It is simply defining the procedure that shall be followed in enforcing this act. Instead of writing in sections 19 and 20, the committee could have employed the same language as is used in the immigration act without referring to those sections, and thereby it would not have been an amendment at all; but this, as the gentleman from Illinois points out, is simply providing for cases under this act; and in deporting under this act for violation of this act they say the procedure shall be the same as that employed in some other act; but that does not thereby amend that other act. It seems to me that the language confines it to violations of this act.

Mr. BLANTON. Will the gentleman from Massachusetts yield?

Mr. WALSH. Yes.

Mr. BLANTON. Does not this provide deportations in addition to those provided by sections 19 and 20?

Mr. WALSH. It does not. It provides for deportation for violations of this act, and it uses the same procedure that is employed in sections 19 and 20.

Mr. BLANTON. But they are deportations in addition to those provided for in sections 19 and 20.

Mr. WALSH. Oh, yes.

Mr. BLANTON. Then, if they are in addition, why are they not amendments to the deportation act?

Mr. WALSH. Because they are not deportations for violation of that act.

Mr. BLANTON. But they are deportations?

Mr. WALSH. Of course, they are deportations.

The CHAIRMAN. The Chair is ready to rule. The only question in the mind of the Chair was as to whether either section 8 or 9 of the bill amends sections 18, 19, or 20 of the immigration act. Upon such examination of that act and of the bill under consideration as the Chair has been able to make, he is unable to see that the bill under discussion amends the immigration act in any respect. It does provide for the use of some of the machinery provided in the immigration act, but as stated by the gentleman from Massachusetts [Mr. WALSH] it might have provided for this machinery in language of its own and thereby accomplished the same purpose. At any rate it does not appear in any respect to amend the immigration act.

The amendment offered by the gentleman from Pennsylvania [Mr. KELLY] clearly proposes to amend the immigration act, and therefore the Chair thinks it is not germane to this bill. The Chair sustains the point of order. The Clerk will read.

The Clerk read as follows:

SEC. 11. Any person who substitutes any name for the name written in any document herein required, or any photograph for the photograph attached to any such document, or forges or in any manner alters any such document, or falsely personates any person named in any such document, or issues or utters any forged or fraudulent document, or presents to an immigrant inspector or other Government official any forged or fraudulent document, and any person other than the one to whom there has been duly issued any document prescribed by this act who presents to an immigrant inspector or other Government official any such document, shall be guilty of a felony and upon conviction thereof shall be fined in a sum not exceeding \$1,000 or be imprisoned for a term of not more than five years, or both.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. What documents are included in this section other than passports?

Mr. JOHNSON of Washington. Declarations.

Mr. WALSH. Applications for passports?

Mr. JOHNSON of Washington. I do not know what they call them, but I understand that in getting a passport a man pays \$1 for the declaration and \$9 for the visé, and then there is his other passport from his country. I imagine those to be the documents.

Mr. WALSH. How does this penalty compare with that provided in the title of the espionage law, which provides a penalty for tampering with or forging passports? Do I understand that there is no penalty? Does the gentleman contend that there is no penalty for doing these things now, and that therefore the committee reports this section to cover it?

Mr. SIEGEL. If the gentleman will yield to me for a moment, I will answer his question. This declaration, made to the Secretary of Labor in order to bring some one over to this country from Europe, is a new proposition entirely. It has never existed before. Therefore that provision is required. In other words, an alien in this country or a citizen desiring to bring some one from Europe will have to make application to the Secretary of Labor.

Mr. WALSH. Well, this would include the passport.

Mr. SIEGEL. This will include the passport, but there is some doubt, of course, as to whether you can punish some of the people on the question of passports.

For instance, I notice that in New York yesterday they arrested two agents of the Department of Justice for violation of the visé law. They were to receive \$300 for allowing a visé to go through, but they were arrested on the ground of conspiracy.

Mr. GREEN of Iowa. On page 5, where it refers to documents, that would include all documents.

Mr. JOHNSON of Washington. I think it would meet any that could be reached on this side.

Mr. SIEGEL. I have my doubts as to whether in this country you could punish anybody on the other side for a violation of law on that side.

Mr. GREEN of Iowa. This does not refer to persons over there.

Mr. SIEGEL. Yes, it does. This statement which is mentioned on page 5, the applicant is supposed to fill out. He is supposed to give the information where he is going, where he has come from, what people he knows over there, and so forth.

Mr. GREEN of Iowa. The gentleman from New York does not understand me. Suppose he brings over a forged document and certificate purporting to be signed by somebody over there when the whole thing is a forgery. Would not this section apply to that?

Mr. SIEGEL. It would. I will say that I do not know of any other case where we have tried to punish anyone in this country for any false certificate made on the other side.

Mr. WALSH. You are imposing a severe penalty which apparently the committee is not certain to what it applies. Why do you want another penalty for forging passports when we already have a severe law?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SIEGEL. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WALSH. I would like to ask the chairman of the committee why he has written a new penalty which by the language will include passports when there is already a severe penalty for that offense now?

Mr. JOHNSON of Washington. We want men punished for forging passports as far as we can reach them.

Mr. WALSH. But there is a law covering that, why have two?

Mr. JOHNSON of Washington. If you do not want it you can turn it down, but I think you need it.

Mr. WALSH. I do not see why you need a law covering the forging of passports when you already have it in the espionage law. I would like to know what documents this law applies to other than passports and photographs.

Mr. VAILE. There is the declaration sworn to before the consular officers.

Mr. WALSH. In title 9 of the espionage law you will find the declaration is covered. To make any false statement of application for passports the fine is \$2,000 and not more than five years. And it applies to whoever forges or counterfeits or mutilates. That is the passport provision in the espionage act. If there are other documents than the included, there can be no objection to penalizing their alteration or forgery.

Mr. JOHNSON of Washington. In the gentleman's opinion, would it improve it to have a clause "unless otherwise provided by law"?

Mr. WALSH. I do not think that would correct it.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last two words. It seems to me that this provision is necessary. The declaration provided by this statute and contained on pages 4 and 5 provide among other things that it must state the expected duration and the object of the immigrant's visit to this country. In addition he must present documentary or other proof of the object, showing the places where he expects to visit.

Mr. JOHNSON of Washington. We are now attempting to reach other forgeries besides those of the passport. A suggestion has been made that if an amendment is offered on line 19 "in other cases not provided by law" that that might cure the defect.

Mr. GREEN of Iowa. Probably there is duplication as stated by the gentleman from Massachusetts.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 10, line 19, after the word "shall" insert "in cases where no other penalty is required by law."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee whether he intends to pass this bill to-night. It is quite late and this is Saturday.

Mr. JOHNSON of Washington. I think we have now passed the contentious portion of the bill. We have yet to strike out the enforcement of this act in the Philippines and to insert two parentheses. It has been suggested that we should go as far as having the previous question ordered to-night so that we can have a vote on Monday morning.

Mr. LONGWORTH. Does the gentleman think that he will get through in a short time?

Mr. JOHNSON of Washington. I think in five minutes, unless something develops which I can not see now.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 12. The Commissioner General of Immigration shall, with the approval of the Secretary of Labor, issue such regulations, not inconsistent with law, as may be deemed necessary and appropriate to place this act in full force and operation, except that regulations for the issuing of passports under section 3 shall be made by the Secretary of State. Such regulations shall include special rules for the application of this act to the cases of aliens coming to the United States from or through contiguous foreign territory, and to the cases of aliens entering across the land boundaries for temporary stay or at frequent intervals; also special rules to insure that the provisions of this act, of the immigration act, or of any law, convention, or treaty relating to immigration shall not be violated by aliens arriving at ports of the United States employed on vessels as seamen, and that, at the same time, the enforcement of such laws shall not interfere with the operation of the act approved March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea."

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 10, line 25, before the word "except" strike out the comma and insert a parenthesis, and on page 11, line 2, after the word "State" and before the period insert a parenthesis.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MOORES of Indiana. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. MOORES of Indiana: Page 10, line 21, strike out "The Commissioner General of Immigration shall, with the approval of the Secretary of Labor."

Mr. MOORES of Indiana. Mr. Chairman, it seems to me that the Department of Agriculture, the Department of State, and the Department of Commerce are certainly as much interested in the proper enforcement of this act as is the Department of Labor. I believe that the act will be more fearlessly and justly enforced if the rules and regulations under it are prepared by the President, with the cooperation of the three departments named, than if the rules and regulations are prepared simply by the Department of Labor. For that reason I have offered this amendment. I want a reasonable enforcement of this act, if we must have it; and I believe we will get a more reasonable and a fairer enforcement of the act if the rules and regulations are made by the President than if they are made by the Department of Labor.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. I feel like apologizing at this hour of the afternoon for trespassing upon the patience of the committee, but I feel very sincerely that the committee, probably without mature consideration, has made a great mistake in adopting the amendment proposed by the gentleman from Illinois [Mr. MANN] limiting the operation of this suspension to 14 months after the passage of the act, which, in effect, limits this operation only to a period of 12 months. If we are confronted in this immigration question with a serious peril and a menace to the country—and I feel sure that we are—then I think we should not attempt to limit the period of suspension to 14 months. I feel sure the committee has not overdrawn the picture in stating in its report as follows:

The flow of immigration to the United States is now on in full flood. The need for restrictive legislation is apparent. The accommodations at Ellis Island are not sufficient for the avalanche of new arrivals; larger cities have not houses for them; work can not be found for them; and, further, the bulk of the newer arrivals are of the dependent rather than the working class.

I submit this question to your intelligent judgment. If we have a situation which we are seeking to correct, is it reasonably probable or apparent that within one year, in this period of economic reconstruction and adjustment, we will have advanced so far in this country that all of these objectionable features will have been eliminated, or is it not more humanly probable that instead of the conditions at the expiration of a year being as they are now pictured by this committee they will be infinitely more aggravating? The latter is my deliberate judgment, and if you are to enact a suspension of immigration for the protection of the interests of the American people, it seems to me that it should not be met by us purely on the

principle of a temporary stop-gap, but that in view of the facts with which we are confronted the time has come when the American Congress should have the courage to enter upon a permanent policy of preventing the indiscriminate admission of aliens into this country.

You pass this bill and put it into effect only for 12 months—12 months passes very rapidly in the legislative annals of the country and the economic progress of the country—and before the expiration of next summer the Committee on Immigration are going to have this very same identical problem to solve. The House of Representatives and the Congress of the United States and the Executive are going to be confronted with even more aggravated conditions than those with which we are confronted in reference to this grave, acute question to-day, and it seems to me, gentlemen, to be the part of wisdom, of prudence, of reasonable foresight, to follow the firm conviction and judgment of the majority of the committee who reported this bill, and when a separate vote is demanded upon the Mann amendment to vote that amendment down and let this bill stay in its effect as was provided by the committee.

Mr. FESS. Will the gentleman yield?

Mr. BANKHEAD. I would be glad to yield to the gentleman from Ohio.

Mr. FESS. I voted for the amendment in the belief that at the end of the year if the needful continuation was apparent it would take a very short time to extend it another year.

Mr. BANKHEAD. But the gentleman well knows the psychology of legislation and the practical difficulties of securing legislation. It is infinitely easier to repeal an existing measure than it is to pass constructive legislation and especially when there are so many conflicting opinions as there are upon this question of immigration, and I submit to the judgment of the gentleman from Ohio if it would not be easier at the expiration of one year, supposing we put in the two-year period of suspension, if the condition justified, to pass a bill repealing it or allowing the suspension to cease, than it would to get the legislative machinery started and pass a new bill extending for a further period the restrictions of this legislation?

Mr. GREEN of Iowa. If the gentleman will permit, I would suggest that the bill was not originally permanent, and if we are to act permanently, would we not be better informed a year from now as to what we ought to do?

Mr. BANKHEAD. But we can be well informed and act if the conditions justify it—and I do not think they will, although we have received promises of great remedial legislation by our friends who will soon come into full control in the country, for I believe the economic conditions of this country are now such it would take a longer period than one year for them to be restored, and I hope that this House, upon reconsideration, will put in the two-year period of suspension. [Applause.]

The CHAIRMAN. Without objection the pro forma amendment is withdrawn. [After a pause.] The Chair hears no objection.

The Clerk read as follows:

SEC. 13. This act shall be enforced in the Philippine Islands by officers of the general government thereof, unless and until it is superseded by an act passed by the Philippine Legislature and approved by the President of the United States to regulate in the Philippine Islands the subjects covered hereby, as authorized in the act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," approved August 29, 1916.

Mr. JOHNSON of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of section 15.

Mr. JOHNSON of Washington. Mr. Chairman, this amendment is necessary because we struck out the application to the Philippine Islands earlier.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 14. The provisions of this act are in addition to and not in substitution for the provisions of the immigration laws.

Mr. JOHNSON of Washington. I move to renumber section 14 number 13.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 5, strike out the figures "14" and insert in lieu thereof the figures "13."

The question was taken, and the amendment was agreed to.

Mr. MILLER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER: Page 12, strike out section 13, and insert in lieu thereof the following:

"SEC. 13. This act shall not be construed to repeal, alter, or amend existing laws relating to the immigration or exclusion of Chinese persons or persons of Chinese descent. Nor shall this act be construed to repeal the immigration act, nor to alter or amend such act except as provided herein; but such act as herein modified shall be and remain in full force and effect. Nor shall this act be construed to repeal, alter, or amend the act approved October 16, 1918, entitled 'An act to exclude and expel from the United States aliens who are members of the anarchistic and similar classes,' as amended."

The CHAIRMAN. The Chair calls the attention of the gentleman from Washington to the fact that section 13 has been stricken out of the bill and section 14 has been renumbered section 13.

Mr. WALSH. Mr. Chairman, I reserve the point of order on the amendment.

Mr. MILLER. The Clerk properly read section 13, and I ask unanimous consent that the substitute be numbered section 13.

Mr. WINGO. The Clerk read it as number 14.

The CHAIRMAN. The Clerk read it correctly, but the Chair called the attention of the gentleman to the fact that what is now in the bill as section 14 has been renumbered section 13. Now the gentleman's amendment calls for the striking out of section 13.

Mr. MILLER. That is right.

Mr. WINGO. It strikes out the text, which has been amended and numbered 13. I think he has the amendment correctly written. It is a substitute for section 14, which is now section 13.

Mr. MILLER. Mr. Chairman, the phraseology—

Mr. WALSH. I reserve a point of order, Mr. Chairman.

Mr. MILLER. The substitute, section 13, which I have submitted to the chairman of the committee, is a confidential print of the original bill providing that the Chinese exclusion act shall not be amended or altered by this legislation. We have a Chinese exclusion act, my colleagues, which is now effective upon the Pacific coast and with which we are all satisfied. There are 400,000,000 Chinamen across the Pacific that are trying by some subterfuge or another to break into the United States. Under the existing law they understand the matter exactly as it is. Now, if we leave the Chinese exclusion act just as it is and affirmatively say in this legislation that the Chinese exclusion act shall continue, we will have no trouble upon the Pacific coast.

And besides that, under the present law the Chinese merchants can come to the United States, and a very promising trade is now coming on the Pacific through the Chinese merchants of China and of this country. Now, it is my judgment that the original print of this bill covers all of these points that I have undertaken to suggest to my colleagues, and it will make it much more effective and be much better for us on the Pacific coast.

Now, under section 13 as it is now written, the provisions of this bill are in addition to the existing law. So no Chinese merchant out of China can come to the United States and trade with the American merchant or merchants of his own country in the United States. It safeguards everything and makes the relations much plainer, and out of all the interpretations by the department of the various phases of the Chinese exclusion act it will remain just where it is, and no Chinaman can come to the United States.

Mr. RAKER. The amendment the gentleman offers is in identical language with the immigration act itself in relation to the Chinese exclusion. I will read:

That this act shall not be construed to repeal, alter, or amend existing laws relating to the immigration or exclusion of Chinese persons or persons of Chinese descent, except as provided in section 19 hereof, nor to repeal, alter, or amend section 6, chapter 453, third session Fifty-eighth Congress, approved February 6, 1905, nor to repeal, alter, or amend the act approved August 2, 1882—

And so forth.

That was put into that act for the purpose of the very thing the gentleman is now discussing. The Chinese exclusion act has been settled by both countries and by the highest courts of the land. Now, by putting it in this act it puts it at rest and leaves the people in China and the people of this country absolutely satisfied, and avoids any possible complication.

Mr. MILLER. That is my view, and I hope the committee can see its way clear to accept the amendment.

The CHAIRMAN. What is the point of order of the gentleman from Massachusetts [Mr. WALSH]?

Mr. WALSH. That there is nothing in this act that is germane to reenacting, or reestablishing, or reaffirming the provisions of the Chinese exclusion act.

Mr. WINGO. Mr. Chairman—

The CHAIRMAN. The Chair will hear the gentleman from Arkansas.

Mr. WINGO. This bill does undertake to absolutely bar all immigration, subject to certain exceptions. Now, the substantive part of the act bars all kinds, including Chinese, out absolutely. It says "all immigration." Then it undertakes to make the exception. Now, the gentleman's contention might be, and it is, that this act does not alter or, as he has it, does not affect the Chinese exclusion act at all. Then it would certainly contravene the rule to affirmatively declare that fact in the closing provision of the bill, which is the customary way.

The CHAIRMAN. What does the gentleman think of this provision where it says:

This act shall be and remain in full force and effect?

Does that add anything to that law?

Mr. WINGO. What is the Chairman reading from?

The CHAIRMAN. From the amendment.

Mr. WINGO. The act says:

That this act shall not be construed to repeal, alter, or amend existing laws relating to the immigration or exclusion of Chinese persons or persons of Chinese descent.

Nor shall it change the immigration act or amend such act as provided herein shall be in full force and effect. I think that relates back to the amendment as made herein. The point is, what is the object of the amendment the gentleman has offered? It is to make clear and specific what the committee seeks to do by shorter language in the text reported. Now, what is the object of section 14 as reported by the committee? It is to be sure that the provisions of this act shall not be construed as repealing, what? The general immigration laws or special immigration laws, nor shall it repeal any of these deportation statutes.

Mr. WALSH. Mr. Chairman, I withdraw the point of order.

Mr. CONNALLY. Mr. Chairman, I offer a substitute for the amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment by way of a substitute. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY as a substitute for the amendment offered by Mr. MILLER: Page 12, line 4, strike out the section and insert "SEC. 13. The provisions of this act are cumulative of existing laws, and shall not be construed as repealing existing laws."

Mr. MILLER. It prohibits Chinese merchants from coming to this country and dealing with Chinese merchants here.

Mr. CONNALLY. As I understood the gentleman from Washington, his object was simply to preserve existing laws as relating to the Chinese question.

Mr. MILLER. Yes.

Mr. CONNALLY. This amendment does that exactly.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY. Yes.

Mr. MILLER. Under this bill the Chinese merchant could not come to this country, because you exclude him under the earlier sections of the bill.

Mr. CONNALLY. Why do you want him here?

Mr. MILLER. That is where our trading comes from. He comes here and trades with Chinese merchants here.

Mr. CONNALLY. I have been consistent and have voted against amendments offered for my section to bring in laborers; it seems to me all we ought to do in this section is to say that this legislation is cumulative of existing laws and in nowise repeals existing laws.

Then when the limitation of the life of this bill expires the present immigration laws will again operate, unless your Immigration Committee, with rather unusual speed, brings in a comprehensive piece of immigration legislation to cover the whole field of the subject; and if the gentleman's amendment undertakes to do what he says it does, then I think the Chair was wrong when he overruled the point of order, because it is legislation on a subject not covered by this bill and is not germane to this section. It seems to me the object of this committee is simply to make it clear that section 13 provides that this act is simply cumulative of existing laws and does not in any wise repeal existing laws, and that upon its expiration existing laws will continue to be in force and effect.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield right there?

Mr. CONNALLY. Yes; I yield to the gentleman from Virginia.

Mr. MOORE of Virginia. I want to ask the gentleman if this language does not express the gentleman's view and express what is intended?

Mr. CONNALLY. I shall be glad to hear the gentleman.

Mr. MOORE of Virginia. "The provisions of the immigration laws shall remain in full force and effect except as modified by this act."

Mr. CONNALLY. I will say to the gentleman that that language would meet my views with this exception: In preference to picking out any particular law and saying it is in full force and effect, I would say, "all laws are in full force and effect," because this bill covers passport legislation and other things in addition to immigration legislation.

Mr. MOORE of Virginia. But the earlier part of the bill has taken all those laws in. My suggestion is that if we say "all laws relating to immigration shall remain in effect except as modified by this act," we will have exactly the status the gentleman contemplates.

Mr. CONNALLY. We not only want all the immigration laws now in force and effect to continue, but we want all other existing laws that are touched by this bill to continue in force and effect except as this bill is cumulative thereof. We do not want to modify the passport laws except as modified for the time being by this act; and whenever you undertake to pick out one act and specify it, you thereby exclude from your saving clause other acts now in existence. You accomplish your whole purpose by saying "existing laws." That covers the whole earth. That covers all laws.

Mr. MOORE of Virginia. On page 2, in the definition clause, it is stated that "the term 'immigration laws' includes such act"—that is, the immigration act—"and all laws, conventions, and treaties of the United States relating to the immigration, exclusion, or expulsion of aliens." Now, if we say in the final provision that all immigration laws shall remain in full force and effect except as modified herein, will not the whole object the gentleman has in mind be attained?

Mr. CONNALLY. I would simply say "existing law." The gentleman says "immigration laws." My term is more comprehensive than his. The gentleman uses the language "as modified by this act." We do not modify any existing acts. If we "modify" existing laws, we should to that extent repeal them. Our intent is not to repeal them but to continue them in effect. We leave them in full force and effect, except by this act we say that in addition to the provisions and barriers set up by other legislation, we set up for a stated period additional prohibitions and restrictions on immigration. I think there is, however, very little difference between our views.

The CHAIRMAN. The question is on agreeing to the substitute offered by the gentleman from Texas [Mr. CONNALLY].

The question was taken, and the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I offer this amendment.

The CHAIRMAN. As a substitute for the Miller amendment?

Mr. MOORE of Virginia. Yes.

The CHAIRMAN. The gentleman from Virginia offers a substitute for the Miller amendment.

Mr. MOORE of Virginia. So that the provision shall read as follows:

The provisions of the immigration laws shall remain in full force and effect except as modified by this act.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 12, line 4—"SEC. 31. The provisions of the immigration laws shall remain in full force and effect except as modified by this act."

Mr. WINGO. I offer an amendment to the substitute to add the words "or suspended" after the word "modified."

Mr. MOORE of Virginia. I accept that suggestion.

The CHAIRMAN. Without objection, the substitute will be modified as suggested. The Chair hears no objection. The question is on agreeing to the substitute as modified.

The question being taken, the substitute as modified was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Washington.

The question being taken, the Chair announced that he was in doubt.

On a division there were—ayes 18, noes 24.

Accordingly the amendment was rejected.

The CHAIRMAN. By direction of the rule, the committee rises automatically.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. By the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. BANKHEAD. I demand a separate vote on the Mann amendment.

Mr. WINGO. My understanding was that the House would not vote on this bill to-day. Under the rule, the previous question having been ordered—I ask so that Members may understand it—will the bill be taken up for disposition the first thing Monday morning?

The SPEAKER. Yes.

Mr. BANKHEAD. And the question will be on my demand for a separate vote.

Mr. WINGO. Some gentlemen understood that when the bill was taken up they would have the right to demand separate votes on various amendments. With the understanding that the Chair will submit that request—

The SPEAKER. The Chair will do so.

Mr. WINGO. That will be entirely satisfactory. Otherwise I should demand a separate vote on each amendment.

The SPEAKER. The Chair will submit the question whether a separate vote is demanded on any amendment when the bill is taken up for consideration.

DECEMBER SALARIES OF CONGRESSIONAL EMPLOYEES.

Mr. GOOD. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Iowa offers a joint resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 407) authorizing payment of the salaries of officers and employees of Congress for December, 1920, on the 20th day of said month.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives are hereby authorized and directed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police, their respective salaries for the month of December, 1920, on the 20th day of said month.

Mr. GOOD. This is the customary Christmas salary resolution.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

LEAVE TO PRINT.

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing an address delivered by our colleague, Hon. NICHOLAS LONGWORTH, before the National Association of Life Insurance Presidents, at New York, December 9, on public expenditures and taxation.

The SPEAKER. The gentleman from Ohio asks unanimous consent to insert in the Record an address on taxation delivered in New York by the gentleman from Ohio [Mr. LONGWORTH]. Is there objection?

Mr. DONOVAN. Is that the interview or address in which the gentleman from Ohio [Mr. LONGWORTH] stated that he spoke as the mouthpiece for the Ways and Means Committee?

The SPEAKER. The Chair does not know.

Mr. DONOVAN. And making reference to Mr. FORDNEY's age?

Mr. FESS. That is not in the address.

Mr. DONOVAN. Then I make no objection.

Mr. LONGWORTH. Does the gentleman say I made any such statement as that?

Mr. DONOVAN. I understood it was stated in one of the Philadelphia papers that you made the statement that you spoke for the Ways and Means Committee, that as Mr. FORDNEY was aged that responsibility rested upon you. I was so informed.

Mr. LONGWORTH. Let me say that the gentleman from Ohio is very certain that he never made any remark that possibly could be construed in that way.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, on page 145 of the Record of yesterday leave of absence was granted me for 10 days. I am happy to state that the circumstances under which that leave was granted no longer apply, and I ask unanimous consent that that be rescinded.

The SPEAKER. Without objection, it will be so ordered.

There was no objection.

By unanimous consent, leave to extend remarks on the bill was granted to Mr. MILLER, Mr. JONES of Texas, Mr. KNUTSON, Mr. NEWTON of Minnesota, and Mr. SIEGEL.

WITHDRAWAL OF PAPERS.

Mr. HAYS, by unanimous consent, was given leave to withdraw from the files of the House, without leaving copies, papers in the case of Jessie Smith, pension bill H. R. 7171, Sixty-sixth Congress, no adverse report having been made thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FIELDS, for 1 week, on account of sickness.

To Mr. KING, for 10 days, on account of important business.

ADJOURNMENT.

Mr. JOHNSON of Washington. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until Monday, December 13, 1920, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

193. A letter from the chairman of the United States Interdepartmental Social Hygiene Board, transmitting annual report on activities in the protection of soldiers, sailors, and civilians from venereal diseases and in the development of improved medical and educational measures for the control of such diseases; to the Committee on Interstate and Foreign Commerce.

194. A letter from the Secretary of War, transmitting detailed statement of the agreements paid and adjusted under section 1 of "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," supplementing report submitted November 29, 1919; to the Committee on Expenditures in the War Department.

195. A letter from the Secretary of War, transmitting report covering publications issued by the War Department during the fiscal year 1920; to the Committee on Printing.

196. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Bayou Terrebonne, La., between Houma and Thibodaux; to the Committee on Rivers and Harbors.

197. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Kissimmee River, Fla.; to the Committee on Rivers and Harbors.

198. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of waterway from New Bern, N. C., to Wilmington, N. C., via Trent River and Northeast Cape Fear River; to the Committee on Rivers and Harbors.

199. A letter from the Secretary of the Navy, transmitting draft of requested legislation to authorize the President of the United States to classify and name vessels of the Navy; to the Committee on Naval Affairs.

200. A letter from the Secretary of the Treasury, transmitting report in connection with the proposed Federal cooperation with the State of New York in the use of a military hospital to be constructed in that State; to the Committee on Public Buildings and Grounds.

201. A letter from the Attorney General, transmitting the annual report of the Attorney General to Congress; to the Committee on the Judiciary.

202. A letter from the Secretary of the Treasury, transmitting estimate of appropriation required for the acquisition of additional lands at headwaters of navigable streams, together with a draft of proposed legislation on the subject (H. Doc. No. 916); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 12912) granting a pension to Garrett Williamson, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HUDSPETH: A bill (H. R. 14953) to provide revenue and to maintain the wool producing and manufacturing industries of the United States in a condition of preparedness for national requirements; to the Committee on Ways and Means.

By Mr. RANDALL of California: A bill (H. R. 14954) to punish violation of the eighteenth amendment to the Constitution by American citizens in certain foreign countries; to the Committee on the Judiciary.

By Mr. KINKAID: A bill (H. R. 14955) to amend section 2 of the act of August 9, 1912 (37 Stat., 265), relating to liens in patents and water-right certificates; to the Committee on Irrigation of Arid Lands.

By Mr. MOTT: A bill (H. R. 14956) to amend the revenue act of 1918 and to establish a general sales tax; to the Committee on Ways and Means.

By Mr. MASON: A bill (H. R. 14957) to amend section 1044 of the Revised Statutes; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: A bill (H. R. 14958) to amend the agricultural schedule of the revenue act of October 3, 1913; to the Committee on Ways and Means.

Also, a bill (H. R. 14959) to prohibit for one year the importations of wheat and wheat flour, rye and rye flour, barley, flax, oats and oat products, wool, swine, cattle, sheep, and all other domestic live animals suitable for human food; to the Committee on Ways and Means.

By Mr. ALMON: A bill (H. R. 14960) to classify the salaries of postmasters in post offices of the fourth class; to the Committee on the Post Office and Post Roads.

By Mr. ROGERS: A bill (H. R. 14961) to establish in the Interior Department a bureau of veteran reestablishment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TINCHER: Joint resolution (H. J. Res. 406) relating to the use of net earnings derived by the United States from the Federal reserve banks in the years 1921 and 1922, being the earnings accrued and accruing during the years 1920 and 1921; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 14962) granting a pension to David Conrad Doup; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14963) granting an increase of pension to Elizabeth Fobes; to the Committee on Invalid Pensions.

By Mr. BROOKS of Illinois: A bill (H. R. 14964) granting a pension to Ophelia Matthews; to the Committee on Pensions.

Also, a bill (H. R. 14965) granting a pension to Lou Watson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14966) to correct the military record of Calvin S. James; to the Committee on Military Affairs.

By Mr. BUTLER: A bill (H. R. 14967) for the relief of Denise D. Marston; to the Committee on Claims.

By Mr. EDMONDS: A bill (H. R. 14968) for the relief of Ephraim Lederer, collector of the port of Philadelphia, Pa.; to the Committee on Claims.

Also, a bill (H. R. 14969) for the relief of Herman Schnell; to the Committee on Claims.

By Mr. FORDNEY: A bill (H. R. 14970) granting a pension to Lucy N. Pardee; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 14971) granting a pension to Lucy Banks; to the Committee on Invalid Pensions.

By Mr. GOLDFOGLE: A bill (H. R. 14972) granting a pension to Marcus Broderick; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 14973) for the relief of Anthony Wade; to the Committee on Claims.

By Mr. HAWLEY: A bill (H. R. 14974) granting an increase of pension to James M. Berry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14975) granting an increase of pension to Caroline Haines Willis; to the Committee on Invalid Pensions.

By Mr. HAYS: A bill (H. R. 14976) granting a pension to Mary L. Biggs; to the Committee on Pensions.

Also, a bill (H. R. 14977) granting an increase of pension to Minerva A. Ellis; to the Committee on Pensions.

Also, a bill (H. R. 14978) granting a pension to Phoebe Fairhurst; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14979) granting a pension to Maria A. Owens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14980) granting an increase of pension to Elizabeth Langley; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 14981) granting a pension to Charles C. Egley; to the Committee on Pensions.

Also, a bill (H. R. 14982) granting a pension to Ina M. Robinson; to the Committee on Invalid Pensions.

By Mr. KINKAID: A bill (H. R. 14983) granting a pension to Julia Finley; to the Committee on Invalid Pensions.

By Mr. MAGEE: A bill (H. R. 14984) granting a pension to Emma E. Warner; to the Committee on Invalid Pensions.

By Mr. MASON: A bill (H. R. 14985) to award a medal of honor to Hon. Ivory Pike; to the Committee on Military Affairs.

By Mr. MERRITT: A bill (H. R. 14986) granting a pension to Maria C. Hill; to the Committee on Invalid Pensions.

By Mr. O'CONNOR: A bill (H. R. 14987) granting a pension to Mary R. Moon; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 14988) granting a pension to Sylvester Fisher; to the Committee on Pensions.

Also, a bill (H. R. 14989) granting an increase of pension to Augusta Lambert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14990) granting a pension to Ferdinand Lambert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14991) granting a pension to Sarah Cutright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14992) granting a pension to Phebe J. Clements; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14993) granting a pension to Sarah A. Rhoads; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14994) granting a pension to Mahala Printis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14995) granting a pension to Drusilla Luce; to the Committee on Invalid Pensions.

By Mr. ROBSON of Kentucky: A bill (H. R. 14996) granting a pension to Martha Smallwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14997) granting a pension to Lucy Cotton-ginr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14998) granting an increase of pension to Margaret A. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14999) granting an increase of pension to Elmer H. Weddle; to the Committee on Pensions.

By Mr. SELLS: A bill (H. R. 15000) granting an increase of pension to Isaac Trent; to the Committee on Pensions.

Also, a bill (H. R. 15001) granting an increase of pension to Edmund Hishley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15002) granting an increase of pension to James Foley; to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 15003) granting a pension to Sarah J. Pratt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15004) for the relief of Jabez Lumbert; to the Committee on Military Affairs.

By Mr. SMITHWICK: A bill (H. R. 15005) for the relief of Albert H. White, Mary E. Fowler, Lorena B. Winkler, E. E. White, and C. A. White; to the Committee on the Public Lands.

By Mr. SINNOTT: A bill (H. R. 15006) for the relief of E. W. McComas; to the Committee on the Public Lands.

By Mr. THOMPSON: A bill (H. R. 15007) granting an increase of pension to William Stevenson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15008) granting a pension to Rebecca E. Myers; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 15009) granting a pension to Ollie M. King; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 15010) granting a pension to George F. Harter; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4395. By Mr. BRIGGS: Petition of president of the Galveston Cotton Exchange and Board of Trade, favoring an immediate revival of the War Finance Corporation; to the Committee on Ways and Means.

4396. Also, petition of Clarke & Courts, Galveston, Tex., favoring 1-cent drop-letter postage; to the Committee on the Post Office and Post Roads.

4397. By Mr. COLE: Petition of 18 citizens of Crestline, Ohio, favoring the passage of laws to protect our country from increased immigration; to the Committee on Immigration and Naturalization.

4398. By Mr. CURRY of California: Petition of California State Commission in Lunacy, favoring coordination of all Federal bureaus considering claims of disabled ex-service men; to the Committee on Interstate and Foreign Commerce.

4399. By Mr. DICKINSON of Iowa: Petition of sundry citizens of Manilla, Iowa, urging legislation for the relief of the farmers, bankers, and merchants of the country by remedying

the present condition of prices of agricultural products; to the Committee on Agriculture.

4400. By Mr. ESCH: Petition of National Council of the Sons and Daughters of Liberty, Philadelphia, Pa., urging the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

4401. By Mr. FULLER of Illinois: Petition of the National Sheep and Wool Bureau of America, favoring the passage of the French-Capper truth in fabrics bill; to the Committee on Interstate and Foreign Commerce.

4402. Also, petition of Mrs. Ira Couch Wood, chairman Child Welfare Division, General Federation of Women's Clubs, favoring the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4403. Also, petition of the Chicago College Club, favoring protection for the national parks; to the Committee on the Public Lands.

4404. Also, petition of the National Mirror Works, of Rockford, Ill., favoring 1-cent drop-letter postage; to the Committee on the Post Office and Post Roads.

4405. Also, petition of C. F. Baum Co., of Chicago, Ill., favoring an amendment of sections 214 and 234 of the revenue act; to the Committee on Ways and Means.

4406. Also, petition of the National Live Stock Exchange, opposing a tax on sales and especially on sales of any agricultural products; to the Committee on Ways and Means.

4407. By Mr. GALLIVAN: Petition of Eliza P. Emery and John S. Aimes, of Boston, Mass., opposing the Falls River Basin bill of Yellowstone Park; to the Committee on Water Powers.

4408. Also, petition of Eope Eddy Co., Sutcliffe & Co. (Inc.), Fred M. Blanchard, S. E. Hecht & Co., E. S. Parkhurst & Co. (Inc.), J. T. Meader Co. (Inc.), all business men of Boston, Mass., favoring a revision of the present income-tax laws; to the Committee on Ways and Means.

4409. By Mr. GOODYKOONTZ: Papers to accompany House bill 14915, granting a pension to William J. Vanhooose; to the Committee on Invalid Pensions.

4410. By Mr. IRELAND: Petitions of various citizens of Peoria, Ill., protesting against the establishment of a Federal department of health; to the Committee on Interstate and Foreign Commerce.

4411. By Mr. KIESS: Papers to accompany House bill 14562, granting a pension to Eunice R. Tripp; to the Committee on Invalid Pensions.

4412. By Mr. MERRITT: Petition of Ben Miller Council, No. 11, Junior Order United American Mechanics, Danbury, Conn., favoring the restriction of immigration and also favoring the passage of House bill 7, to create a department of education; to the Committee on Immigration and Naturalization.

4413. By Mr. MOON: Papers to accompany House bill 14929, granting an increase of pension to James W. Scott; to the Committee on Invalid Pensions.

4414. By Mr. O'CONNELL: Petition of Rigney & Co., of Brooklyn, N. Y., favoring an amendment to the revenue laws; to the Committee on Ways and Means.

4415. Also, petition of National Council Sons and Daughters of Liberty, Philadelphia, Pa., favoring the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

4416. By Mr. HENRY T. RAINEY: Petition of Mrs. Estelle Bolin and 30 other members of the Friday Club of Milton, Ill., favoring the passage of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4417. By Mr. SNYDER: Petition of the employees of A. S. & T. Hunter, Utica, N. Y., favoring a five-months' daylight savings law; to the Committee on the Judiciary.

4418. By Mr. STOLL: Petition of the Tea and Topic Club of Timmonsville, S. C., favoring the passage of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4419. By Mr. TEMPLE: Petition of the Civic Club of Allegheny County, Pa., in support of House bill 7, a bill to create a department of education; to the Committee on Education.

4420. By Mr. TINKHAM: Petition of the Massachusetts State Federation of Women's Clubs, favoring the passage of the Rogers bill (H. R. 12749), the Sheppard-Towner bill (S. 3259 and H. R. 10925), and the Smith-Towner bill (H. R. 7 and S. 1017); to the Committee on Interstate and Foreign Commerce.

4421. Also, petition of the Massachusetts State Federation of Women's Clubs, favoring an amendment to the water power bill that will protect the national parks and monuments; to the Committee on Water Powers.

SENATE.

MONDAY, December 13, 1920.

(Continuation of legislative day of Saturday, December 11, 1920.)

The Senate assembled at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lodge	Smith, Ga.
Ball	Glass	McCumber	Smith, Md.
Borah	Gronna	McKellar	Smith, S. C.
Brandee	Harris	McLean	Smoot
Calder	Harrison	McNary	Spencer
Capper	Heflin	Nelson	Sterling
Chamberlain	Henderson	New	Swanson
Colt	Jones, Wash.	Norris	Thomas
Culberson	Kellogg	Nugent	Townsend
Curtis	Kendrick	Overman	Trammell
Dial	Kenyon	Page	Underwood
Dillingham	Keyes	Phipps	Wadsworth
Edge	King	Poinsett	Warren
Fall	Kirby	Ransdell	Watson
Fernald	Knox	Sheppard	Wolcott
Fletcher	La Follette	Shields	
France	Lenroot	Simmons	

The VICE PRESIDENT. Sixty-six Senators have answered to their names. There is a quorum present.

DIPLOMATIC RELATIONS WITH KOREA.

Mr. KNOX. Mr. President, I ask the indulgence of the Senate for a few moments only to call attention to a grave error in relation to our diplomatic history that I observed this morning in an editorial in the New York Herald. The New York Herald says:

The withdrawal in 1912 of the legation of the United States from Korea, after we had in 1902 a compact with the Korean Government, was one of the most serious mistakes in American diplomacy.

There are Senators here who, I am sure, will recall the following: The last minister to Korea was Mr. Edwin V. Morgan, who was withdrawn in 1905. Since that time there has not been an American legation in Korea. Indeed, as early as 1906 Korea had yielded such control over her foreign affairs that American consuls in Korea were accredited to Japan.

Another outstanding fact is that in 1910, which was two years prior to this serious blunder in American diplomacy in withdrawing a legation which did not exist, Korea was annexed to Japan by solemn treaty between the two Governments, in which all of the sovereignty over Korea was ceded to Japan, and since that time has been governed as a part of the Japanese Empire.

PETITIONS AND MEMORIALS.

Mr. McLEAN presented a petition of the Connecticut State League of Building and Loan Associations, of New Haven, Conn., favoring the promotion of systematic thrift and ownership of individual homes, which was referred to the Committee on Finance.

He also presented a memorial of the Radio Club of Hartford and Bridgeport, Conn., remonstrating against legislation proposing to regulate amateur wireless, etc., which was referred to the Committee on Naval Affairs.

He also presented petitions of the Board of Aldermen of Bridgeport; the Lincoln School, of Bridgeport; and the Council Cartier, 290, of l'Union St. Jean Baptiste d'Amerique, of Bridgeport, Conn., praying for the enactment of legislation to increase the salaries of post-office employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of the Stamford Teachers' Association and the Women's Club of Seymour, Conn., remonstrating against the enactment of legislation commercializing the national parks, which were referred to the Committee on Commerce.

He also presented a petition of the Hartford Theological Seminary, of Hartford, Conn., favoring a mandate for Armenia, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Berkeley Divinity School, of Middletown, Conn., favoring the assistance by Congress of the starving people of the Near East, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry Lithuanian citizens of Waterbury, New Haven, and Thompsonville, Conn., favoring the independence of Lithuania, which were referred to the Committee on Foreign Relations.